FOREIGN BROADCAST INFORMATION SERVICE

Daily Report

East Asia

FBIS-EAS-90-155
Friday
10 August 1990

Daily Report
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FBIS-EAS-90-155 *10 August 1990*

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Japan

Further on Reaction to Middle East Conflict

Kuwaiti Diplomat on Iraqi Moves

OW0908080390 Tokyo KYODO in English 0735 GMT 9 Aug 90

[Text] Tokyo, Aug. 9 KYODO—A senior Kuwaiti diplomat in Tokyo on Thursday rapped Iraq's annexation of his country and expressed hope that the summit meeting of Arab leaders in Cairo could avert a large-scale conflict. "Otherwise the chance will be lost," said the diplomat, speaking on condition of anonymity. "Nobody wants this to escalate into a destructive war."

The diplomat was referring to an emergency Arab summit meeting scheduled for later Thursday to deal with Iraq's invasion and annexation of Kuwait and a potential conflict between Iraq and U.S.-led multinational forces along the border with Saudi Arabia. On the Iraqi Government's announcement Wednesday of a "comprehensive and eternal merger" with Kuwait, the Kuwaiti diplomat said, "nobody accepts it and nobody is going to acknowledge it."

"The government and people of Kuwait can decide themselves who they want to unite with," he said. The diplomat welcomed U.S. President George Bush's decision to dispatch U.S. forces to Saudi Arabia and his vow to enforce sanctions against Iraq in order to force Baghdad to withdraw from Kuwait. Without such international intervention, the diplomat said, the Persian Gulf area "would be lost" as its oil reserves were seized by Iraq.

On Japan's statement of support for the U.S. move on Wednesday and its previous implementation of strong sanctions against Iraq, the diplomat said, "they took a bold step and we are definitely pleased with them." Iraqi Embassy officials had no comment to make, referring reporters instead to official government statements issued on Wednesday and Thursday in Baghdad.

JAL Asked To Assist Rescue

OW0908104990 Tokyo KYODO in English 0854 GMT 9 Aug 90

[Text] Tokyo, Aug. 9 KYODO—The Transport Ministry said Thursday it has asked Japan Airlines [JAL] to send a special flight to Kuwait to rescue 276 Japanese stranded there since the Iraqi invasion.

The Japanese flag carrier has indicated it would be able to dispatch a Boeing 747 jumbo jet, possibly by Saturday, but has expressed concern about the plane being allowed to land in Kuwait and the condition of the airport, which was attacked during the invasion on August 2. Ministry officials are busily gathering information about sending the special charter to Kuwait, but are also considering moving the Japanese in Kuwait overland to an airport more readily accessible if a rescue effort can be realized before Saturday.

Earlier, the Foreign Ministry confirmed that 276 Japanese nationals, most of whom wanted to return quickly to Japan, were stranded in Kuwait, with another 372 in Iraq. The ministry reported that 246 of the 276 Japanese in Kuwait are safe in the Japanese Embassy in the capital. Reports received by the ministry say they have been venturing out into the city during the day to buy food and other sundries.

The ministry said of the 372 Japanese currently in Iraq, 307 are residents there, 23 are tourists, and the rest on business. It said 18 Japanese tourists who left Baghdad by bus Wednesday afternoon arrived safely in the Jordanian capital of Amman on Thursday afternoon. Late Wednesday, four Japanese students who had been confined briefly in Baghdad arrived without incident in Amman. The Japanese in Kuwait include 60 women and 53 children and those in Iraq 51 women and 36 children, the ministry reported.

Japanese Flee Gulf Region

OW0908104890 Tokyo KYODO in English 0952 GMT 9 Aug 90

[Text] Tokyo, Aug. 9 KYODO—Japanese business people in the Persian Gulf have begun a massive exodus amid increased tension in the region following Iraq's invasion of Kuwait last week, industry sources said Wednesday. Business officials in Iraq and Kuwait, however, are unable to move due to a blockade on airports and other transportation facilities, they said.

On Wednesday night, Mitsubishi Corp., a leading trading house, directed its staff and their families totaling 106 in eight Gulf nations to leave the countries for Japan or European countries. Ten employees of Mitsui and Co. and their families in Saudi Arabia have been told to leave the nation because of fears it might be the next target of Iraq's aggression.

Sumitomo Corp., which has 40 employees and their families in Saudi Arabia, Qatar, Bahrain and the United Arab Emirates, also has ordered them to leave.

Mitsubishi Heavy Industries Ltd., which has 46 officials in Saudi Arabia for plant and other projects, issued a similar order.

Officials of major Japanese financial institutions have already begun to get out of Bahrain, the financial center of the Middle East, for Japan and London. Meanwhile, officials in Iraq and Kuwait, including 11 each from Mitsubishi Heavy Industries and Sumitomo Heavy Industries Ltd., two each from Komatsu Ltd. and Kawasaki Heavy Industries Ltd., and one from Tokio Marine and Fire Insurance Co., are still trapped due to the blockade, according to the sources.

Tokyo Supports U.S. Deployment

OW0908163390 Tokyo NHK General Television Network in Japanese 1000 GMT 9 Aug 90

[Text] Chief Cabinet Secretary Sakamoto announced the official position of the Japanese Government on the situation in Kuwait at a news conference this afternoon. Commenting on the Iraqi announcement on the annexation of Kuwait, he said that Iraqi annexation of Kuwait is illegal, unjustifiable and intolorable under any circumstances. He then stressed Japan's position calling on Iraq to immediately withdraw its forces from Kuwait.

Turning to the U.S. military deployment to Saudi Arabia, the chief cabinet secretary expressed Japan's support for the U.S. troop deployment. He said that Japan understands the cirumstances and supports the U.S. action.

Ministry To Stop Mail Service

OW1008101190 Tokyo KYODO in English 0956 GMT 10 Aug 90

[Text] Tokyo, Aug. 10 KYODO—The Post and Telecommunications Ministry announced Friday it will temporarily stop accepting mail to Iraq and Liberia starting Saturday.

The ministry said the stoppage is due to the closure of Iraqi air and sea ports following international tension resulting from the Iraqi invasion of Kuwait. Mail to Kuwait has been stopped since last Saturday. Mounting internal strife in Liberia has also disrupted mail services in the country.

'Order' To Move Mission Refused

OW1008102990 Tokyo KYODO in English 1006 GMT 10 Aug 90

[Text] Tokyo, Aug. 10 KYODO—Japan will not comply with Iraq's order to pull its diplomats out of Kuwait and move them to Baghdad, Chief Government Spokesman Misoji Sakamoto said Friday. "Japan's position is that the annexation (of Kuwait) is a violation of international law and is intolerable," Sakamoto said. Iraq on Thursday gave all foreign embassies in Kuwait two weeks to close down and move to the Iraqi capital. The order came after Iraq announced it was annexing its tiny oil-rich neighbor, a week after launching a military invasion.

Asked about possible repercussions against Japanese nationals if Japan fails to meet the demand, Sakamoto responded that Japan is thinking of "various options." He did not elaborate. On Thursday, the Transport Ministry asked Japan Airlines to dispatch a jumbo jet to Kuwait to bring home 276 Japanese nationals. Kuwait's airport is closed.

A Foreign Ministry source said it is possible that Japanese Embassy personnel may depart Kuwait once all Japanese citizens have been evacuated. "If the Embassy staff remain there is a possibility that Iraq could use violence, so we have to think of that aspect," the source said. He said the government would want to make it clear that it is not conceding to the Iraqi demands. There are 372 Japanese in Iraq.

Showa Shell To Raise Prices

OW1008120790 Tokyo KYODO in English 1135 GMT 10 Aug 90

[Text] Tokyo, Aug. 10 KYODO—Showa Shell Sekiyu K.K. [Kabushiki Kaishi—joint stock company] said Friday it will raise gasoline prices by nearly 10 percent as early as next month to cover higher costs due to rising crude oil prices, a move expected to be followed by other oil companies.

The affiliate of Royal Dutch Shell said that, including a rise of 4 to 5 yen per liter which was already planned, the total increase in the price of gasoline will be around 10 yen per liter. Motorists at present pay 120 yen per liter.

Uncertainties over the turmoil in the Persian Gulf following Iraq's invasion of Kuwait last week and the U.N. trade embargo on the two nations have sent oil prices sharply higher around the world. The spot benchmark Dubai oil topped 26 dollars per barrel in Tokyo early this week, though sliding down to the 21 dollar level on Friday, cooled by reports that other oil nations will raise production to meet the shortfall.

Hiroshi Otaka, managing director of Showa Shell, said, "We need to raise prices by 5 to 6 yen per liter to ease burdens from rising oil prices." A 1 dollar rise in the price of a barrel of crude oil is calculated to push up costs of gasoline distributors by 1 yen per liter. Industry sources said the move may trigger a wave of price hikes by competitors, though some of them are still reluctant to do so for fear that such an action would provoke criticism that they are cashing in on higher oil prices.

Kaifu To Be Advised on Trip

OW1008143590 Tokyo KYODO in English 1413 GMT 10 Aug 90

[Text] Tokyo, Aug. 10 KYODO—Foreign Minister Taro Nakayama plans to advise Prime Minister Toshiki Kaifu to cancel a five-nation visit to the Middle East scheduled for next week, Foreign Ministry sources said Friday.

They said the Foreign Ministry reached the conclusion following a meeting between Nakayama and his top advisers at the ministry Friday. Kaifu has said he wants go forward with the 13-day trip to Turkey, Saudi Arabia, Oman, Jordan, and Egypt beginning next Wednesday. Nakayama will meet with Kaifu on Sunday to convey the Foreign Ministry recommendation, the sources said. Kaifu checked in Friday for a two-day comprehensive medical check-up in preparation for the trip.

Soviet Academic Urges Flexibility on Territories

OW1008134890 Tokyo KYODO in English 1304 GMT 10 Aug 90

[Text] Tokyo, Aug. 10 KYODO—A Soviet academic urged the Soviet Union in an magazine article published Friday to take a flexible attitude on a territorial dispute with Japan.

Gorg Kunadze, director of the Japanese political and social section of the Moscow-based Institute of World Economics and International Relations, said a memorandum the Soviet Union sent to Japan in 1960 revoking an earlier pledge to return two of the four Soviet-held islands off Hokkaido was legally inappropriate. Kunadze also said in the Japanese monthly "CHUO KORON" the Soviet Union had in effect promised to discuss the territorial issue with Japan immediately before signing of the 1956 declaration.

The Japan-Soviet joint declaration specified that the Soviet Union will return Shikotan Island and the Habomai Island group after concluding a peace treaty between the two countries. Shikotan and the Habomai group are the smaller of the four islands off eastern Hokkaido—now known collectively as Japan's northern territories—the Soviets occupied at the end of World War II. The other two larger islands are Kunashiri and Etorofu.

The Soviet Union rejected the return of the two small islands following the revision of the Japan-U.S. security treaty in 1960, contending that "a new situation that will make the realization of this promise impossible has been created." Moscow has maintained since then that there exists no territorial issue with Japan, basing its claim partly on the 1945 Yalta agreement among the principal allied powers.

Kunadze also argued that the 1945 Yalta agreement, in which the Soviets pledged to enter the war against Japan, violated international law because it was a secret agreement on territorial division. He said postwar Soviet policy toward Japan has been a series of errors because the Soviet Union aimed principally at estranging Japan from the United States and that that policy was not corrected until President Mikhail Gorbachev brought his "new thinking" approach on Soviet foreign policy.

Business Leaders Hope To Meet PRC Officials

OW0908115790 Tokyo KYODO in English 1055 GMT 9 Aug 90

[Text] Tokyo, Aug. 9 KYODO—A mission of some 40 top Japanese business leaders will make a four-day visit to China in September, the Japan-China Association on Economy and Trade said Thursday.

The mission, which will leave for China on September 16, is expected to discuss bilateral economic cooperation with Chinese leaders following the Tokyo government's decision to resume an 810 billion yen loan package for fiscal 1990-1995. The loans were frozen after last year's suppression of the pro-democracy movement in China.

The Chinese side is also expected to explain Beijing's current political and economical policies, including a recent proposal to open a free-trade zone in Shanghai, association officials said.

The delegation will be led by Ryoichi Kawai, chairman of the association and also chairman of Komatsu Ltd. Other members will include Eishiro Saito, chairman of the Federation of Economic Organizations (Keidanren), Gaishi Hiraiwa, chairman of Tokyo Electric Power Co., and Osamu Uno, chairman of Kansai Economic Federation. Meetings are being arranged with Chinese leaders including Deng Xiaoping, Communist Party General Secretary Jiang Zemin, and Premier Li Peng, the officials said.

LDP, JSP To Send Missions to DPRK in Sep

OW0908132190 Tokyo KYODO in English 1254 GMT 9 Aug 90

[Text] Tokyo, Aug. 9 KYODO—The ruling Liberal Democratic Party (LDP) and the opposition Japan Socialist Party (JSP) will each send a working-level mission to North Korea on September 3 to pave the way for separate visits by delegations from the two parties later in the month.

Hajime Ishii, acting chairman of the LDP's research commission on foreign affairs, will lead the three-member LDP mission, and Wataru Kubo, vice chairman of the JSP, will head a similar group from the JSP. The delegations are scheduled to leave Tokyo on September 3 for Pyongyang, the North Korean capital, and to arrive there the following day via Beijing. They will stay in Pyongyang for two days and return to Tokyo on September 7.

North Korea issued an invitation for a high-powered delegation from the LDP to Pyongyang in September to discuss how to improve bilateral relations when a JSP mission headed by Kubo visited North Korea in late July. Shin Kanemaru, former deputy prime minister and a leader of the LDP's largest faction, is to lead the delegation. Another JSP mission led by Vice Chairman Makoto Tanabe is also scheduled to visit Pyongyang at the same time at the invitation of the (North) Korean Workers' Party.

Preparatory talks between the Japanese missions and North Korean officials, possibly led by Kim Yong-son, a secretary of the party's Central Committee, will center on North Korean demands for improved bilateral relations. Pyongyang has called for a Japanese apology and compensation for its 1910-1945 colonial rule of the Korean peninsula as a precondition to improving bilateral relations.

It has also called on Japan to promote economic assistance and personnel exchanges and to provide access to telecommunications satellites. Other demands by Pyongyang are the inauguration of direct flights between

the two countries and making Japanese passports valid for visits to North Korea. Ishii told reporters he wants to urge Pyongyang to open the door to government-to-government dialogue.

Referring to calls by Tokyo for the release of two Japanese seamen held by North Korea for alleged espionage, Ishii said he believes a visit by Kanemaru to Pyongyang will settle the long- standing dispute. The seamen, Isamu Beniko and Yoshio Kuriura, the captain and chief engineer of the No. 18 Fujisan Maru, have been detained by North Korea since November 1983. They were held on returning to North Korea after a former North Korean soldier defected to Japan aboard the ship on a previous voyage. Japan and North Korea do not have diplomatic relations and the JSP has been serving as a link between the two governments.

Academic Group Urges Improved Ties With DPRK

OW1008115190 Tokyo KYODO in English 1044 GMT 10 Aug 90

[Text] Tokyo, Aug. 10 KYODO—An association of academics and peace activists appealed Friday to the government to improve relations with North Korea in a statement outlining suggested changes in Japanese policy.

The Association for the Pursuit of Improved North Korean Policies urged the government to recognize Pyongyang's demand for compensation for Japan's 1910-1945 colonial rule of the Korean Peninsula. It said the government should also guarantee better treatment for members of the pro-Pyongyang General Association of Korean Residents in Japan (Chongryun), put an end to travel restrictions to North Korea, and even-handed policies toward Pyongyang and Seoul.

The association, headed by House of Councillors Member Tokuma Utsunomiya, also welcomed a scheduled visit to North Korea next month by a delegation of the ruling Liberal Democratic Party. It refuted the argument that the Japanese Government does not owe Pyongyang compensation because Japan did not fight the Koreans in the war.

The academics said Japan fought the 1894-95 Sino-Japanese War and 1904-05 Russo-Japanese War in Korea and then brutally suppressed Korean independence movements after the 1910 annexation of Korea, calling the actions "more unjust than war." Established in 1988, the group petitioned then Prime Minister Noboru Takeshita in September 1988 to take measures to improve relations with Pyongyang and sponsored a symposium that November to discuss the topic. The association counts among its official sponsors Japan Socialist Party Chairwoman Takako Doi and Hideo Den, adviser to the United Social Democrat Party.

Taiwan Bank Opens Representative Tokyo Office

OW0908101990 Tokyo KYODO in English 0852 GMT 8 Aug 90

[Text] Tokyo, Aug. 8 KYODO—Chang Hwa Commercial Bank of Taiwan opened a representative office in Tokyo on Wednesday, the first by a Taiwanese financial institution in Japan in about 40 years, banking sources said.

The move results from Taiwan's granting of a permit for the Bank of Tokyo earlier in the month to establish an office in Taiwan. It became the first Japanese bank to open an office there since Taiwan began to block inroads by foreign banks using a one-country-one-bank policy in the late 1950s. The opening ceremony was attended by business leaders from Japan and Taiwan, but not by Japanese Government officials, who did not want to offend China, the sources said.

The Taiwanese bank, jointly owned by the government and private sector, aims to eventually upgrade its office to branch status, with an eye to the rapid growth in Japan-Taiwan trade and the increasing presence of Japanese enterprises on the island, according to the sources.

Police Arrest Colombian for Cocaine Smuggling

OW1008140390 Tokyo KYODO in English 1206 GMT 10 Aug 90

[Text] Narita, Chiba Pref., Aug. 10 KYODO—Police said Friday they arrested a Colombian man for allegedly trying to smuggle cocaine through Japan's largest international airport here from the coca-growing South American country.

Police announced that Nino Jose Guillermo, 55, of Bogota was arrested on July 30 under antidrugs laws and customs regulations when he appeared at Narita Airport Customs Office to collect his bag which was mistakenly placed on a wrong plane in Peru after he changed planes en route to Japan 10 days earlier. Guillermo took a Varig Brazilian Airlines flight to Narita but the bag was placed on a Lufthansa German airlines flight bound for Frankfurt.

The double-bottomed bag contained about 1.5 kilograms of cocaine, worth a street price of 100 million yen or 670,000 dollars in Japan, police said.

Japanese criminal laws provide a maximum of lifetime imprisonment for illegal import, export and other unlawful dealing with narcotic drugs. The Colombian, who says he is a shoemaker, told investigators another Colombian man asked him at a bar in Bogota to work as a carrier. Guillermo received 1,200 dollars then and was to get another 2,500 dollars if he succeeded, police said.

Rival Antinuclear Groups End Annual Meetings

OW0908104290 Tokyo KYODO in English 0846 GMT 9 Aug 90

[Text] Nagasaki, Aug. 9 KYODO—Japan's leading antinuclear groups, Gensuikin and Gensuikyo, ended their

annual meetings here with declarations of solidarity with radiation victims across the world on Thursday, the 45th anniversary of the atomic bombing of the city.

The rival socialist-sponsored Gensuikin and communist-backed Gensuikyo held separate ban-the-bomb meetings for the fifth consecutive year. The Japan Congress Against Atomic and Hydrogen Bombs, or Gensuikin, affiliated with the Japan Socialist Party (JSP) held a series of meetings in Hiroshima and Nagasaki from August 3.

Attending the final session were some 3,000 people, including JSP Chairwoman Takako Doi and 43 foreign representatives from 14 countries.

In his closing speech, Gensuikin representative Shigeru Yoshimatsu called for solidarity with all radiation victims and atomic bomb survivors, saying there are currently about 20 million radiation victims in the world. Among foreign guests were two Soviet radiation victims living near the Semipalatinsk nuclear test site. They attended as members of the Nevada Semipalatinsk Movement (NSM), a Soviet grass roots antinuclear group. Two U.S. radiation victims, who were exposed to radiation leaking from a nuclear weapons manufacturing plant, also attended. The NSM members were visiting Japan for the first time.

A North Korean victim of the nuclear attack on Hiroshima also attended the conference as a member of a North Korean delegation. He is believed to be the first victim of the bombing to return from North Korea.

Following Yoshimatsu, Doi urged the Japanese Government to take a positive role in aiding such foreign victims as well as Japanese victims of the atomic blasts. Meanwhile, participants in the Japan Council Against Atomic and Hydrogen Bombs, or Gensuikin, closed their conference with the adoption of an appeal for solidarity with people across the world to eliminate nuclear weapons and prevent a nuclear war.

Among 3,000 participants at the meeting were 42 foreign representatives from 18 countries and 12 international organizations. Foreign guests included for the first time people from the Soviet Baltic Republics of Estonia and Lithuania.

Rice Gift 'Unlikely' To Breach Import Ban

OW0908101590 Tokyo KYODO in English 0929 GMT 9 Aug 90

[Text] Tokyo, Aug. 9 KYODO—U.S. Agriculture Secretary Clayton Yeutter's plan to bring 50 pounds (23 kilograms) of American rice to Japan this weekend as a gift for Prime Minister Toshiki Kaifu and his cabinet members is unlikely to breach the Japanese ban on rice imports, government officials said Thursday.

"We don't consider this as posing a problem for us, but then again we don't know exactly what Mr. Yeutter's intentions are," said one official of the Ministry of Agriculture, Forestry and Fisheries, the guardian of Japan's Food Control Law. The law, which aims in part at ensuring Japan's self-sufficiency in rice, allows up to 100 kilograms of rice to be brought into Japan by individuals for personal consumption or for gifts to their family and acquaintances.

"As long as it is not put on the market and has no effect on the principle of self-sufficiency, it can be brought into Japan," he said.

Yeutter told reporters in Washington on Tuesday that he will present the rice to Kaifu and his ministers as a gift from American rice growers in Arkansas, California, Louisiana, Mississippi, and Missouri.

Yeutter, who will arrive in Japan on Friday, hopes to meet with Kaifu on either Saturday or Sunday. After leaving Sunday for Thailand, he will return to Japan for another visit from August 17 to 23, they said. Some of the rice is expected to be given to the Japanese agriculture minister, Tomio Yamamoto, who has opposed the liberalization of Japan's closed rice market.

But other cabinet ministers and some influential politicians have acknowledged that the rice ban may have to be lifted as the December deadline for the conclusion of the Uruguay Round of multilateral trade talks draws nearer.

Rice Reportedly Included in Farm Subsidies

OW1008103590 Tokyo KYODO in English 1012 GMT 10 Aug 90

[Text] Tokyo, Aug. 10 KYODO—Rice will be included in Japan's list of farm subsidies to be presented at the Uruguay round of multilateral trade liberalization talks, government sources said Friday.

The list, to be submitted by October 1, will include the price gap in rice and various agricultural products between Japan and other countries, as well as figures for specific subsidies, import barriers, and export subsidies, the sources said. Providing such lists was proposed by Aart de Zeeuw, chairman of the Agricultural Working Group at the General Agreement on Tariffs and Trade (GATT), which is sponsoring the trade negotiations.

Japan has been under increasing foreign pressure to open up its rice market in order to reach a successful conclusion to the four-year round by the end of this year.

According to a government calculation, Japanese rice is priced 6.5 times higher than that produced in the United States and 9.1 times above Thai rice. The figure is conservative when compared with U.S. estimates, which puts price of Japanese rice at eight times above American grain. The U.S. claims the price gap translates into a tariff that would run as high as 700 percent.

The government has taken issue with the U.S. data, arguing that calculations differ greatly due to fluctuations in the foreign exchange rate and that the U.S.

ignored differences in quality and transportation costs. In proposals for farm subsidies reduction to be drawn up by October 15, Japan is not expected to make any concessions concerning its rice policy and will maintain its insistence on self-sufficiency in the nation's staple food, the sources said.

But with the U.S. likely to strengthen its call for conversion of all farm subsidies into tariffs toward the finale of the round, it might be difficult for Japan to maintain its rice import ban, the sources added.

Ministry: Trade Surplus Shrinks 10.2 Percent

OW1008090790 Tokyo KYODO in English 0846 GMT 10 Aug 90

[Text] Tokyo, Aug. 10 KYODO—A moderate rise in imports led by manufactured goods trimmed Japan's trade surplus more than 10 percent in July, the government reported Friday. The Finance Ministry said the customs-cleared trade surplus narrowed 10.2 percent to a seasonally unadjusted 5,382 million dollars in July from 5,995 million dollars in the same month last year.

The preliminary figure compared with a 27.6 percent jump in the surplus the previous month, suggesting that the Japanese trade imbalance with the rest of the world has again begun to improve. The ministry described the renewed downturn in the trade surplus in July as a return to the country's favorable trade performance.

Japan had been achieving reductions in the trade surplus all year until it widened in June. The trade surplus with the United States, Japan's largest trading partner, also declined by an encouraging 20.6 percent to 3,066 million dollars in July, the ministry said. The trade surplus is the difference between what Japan imports and what it sells abroad.

July exports rose a meager 1.8 percent to 23,888 million dollars from 23,456 million dollars a year earlier for the second consecutive month of growth. Ministry officials, however, discounted the slow export growth, pointing to the absence in July of heavy-duty exports like ships. In June, exports rose 4.7 percent to 23,759 million dollars from the same month last year.

Exports of steel fell 15.2 percent in value in July from a year earlier and those semiconductors and other electronic components also dropped 11.4 percent.

Imports in July totaled 18,507 million dollars, an increase of 6.0 percent from 17,461 million dollars a year before. The officials downplayed the apparent deceleration in the pace of import growth in recent months. They said the sluggish import growth was mostly explained by lower prices of imported primary products such as crude oil.

Asked about the adverse impact of the worsening Middle East crisis, one ministry official would only say that such effects might emerge in trade data with a time lag of two to three months. He did not elaborate on any negative impact on the economy stemming from uncertainty over oil prices as well as volume to be imported from Persian Gulf countries.

Imports of crude oil, a major import item, rose 12.7 percent in volume in July from a year earlier but fell 0.6 percent in value due to sagging oil prices.

The ministry also said the ratio of manufactured goods to July's import total stood at 54.3 percent, the highest ever, erasing the previous record high of 52.3 percent set both in June and April this year. Among items cited by the ministry behind the surge in imports of finished products was a hefty 82.0 percent jump in imports of aircraft from the previous year and a 4.4-fold increase in purchases of art works from foreign countries.

Exports to the U.S. fell 7.2 percent from July last year to an unadjusted 7,513 million dollars, partly because of sluggish exports of semiconductors and other electronic components which declined 27.2 percent. Exports of Japanese-made cars also dropped 6.3 percent.

But imports from the U.S. increased 5.0 percent in July to 4,448 million dollars, in part due to a noticeable 87.9 percent jump in aircraft imports. Imports of cars also posted a 51.1 percent increase in the month. Meanwhile, the country's trade surplus with the European Community (EC) shrank 29.8 percent from July 1989 to 1,148 million dollars.

Exports to the 12-nation trading bloc increased 9.1 percent from a year earlier to 4,337 million dollars, paced by a 16.9 percent rise in office automation machinery including computers. Imports from the EC also rose 36.4 percent to 3,189 million dollars. Imports of European cars posted a 39.0 percent rise and purchases of art works from EC countries rose more than 4.8 times from the previous year's figure, reaching 445 million dollars in July.

The latest trade data was based on an average exchange rate of 151.64 yen to the dollar in calculating exports and 151.95 yen for import figures, the ministry said. These rates compared with 141.54 yen used in compiling year-earlier export data and 141.60 yen for imports. Referring to the 6.7 percent year-on-year depreciation in the yen's exchange value in July, one official said the impact of exchange rate fluctuations on the trade tally has been lessening recently.

In general, the lower value of the Japanese currency against the dollar contributes to slowing the pace of decline in the trade surplus as a weaker yen makes imports more expensive while exports become more competitive against foreign products.

Mongolia

Commentary Views Outcome of 29 Jul Elections

OW1008081790 Ulaanbaatar International Service in English 0910 GMT 7 Aug 90

[Commentary on the general elections in Mongolia; from the Radio Ulaanbaatar Society Magazine program]

[Text] The July the 29th elections were the first experience of multiparty general elections in this country. For the first time the ruling Mongolian People's Revolutionary Party (MPRP) has had to fight hard to face the challenge launched by recently emerged political parties which gathered into an opposition coalition of democratic forces. Preliminary returns have shown that the MPRP still preserves leading positions in Mongolian society. So far it managed to obtain 336 seats in the People's Great Hural, supreme body of state power, with a total of 430 seats. This number may increase as a result of the repeat voting to be held in 34 constituencies on August the 25th. The MPRP has also managed to obtain 61.74 percent of votes in the poll on the support rate of political parties.

The Mongolian Democratic Party, most influential opposition force, together with the Mongolian Democratic Union runs up with a considerable gap of some 35 percent. It obtained 24.31 percent of votes. Nevertheless, the returns for the opposition parties cannot be viewed as bad. These are parties with only a few months experience and daring enough to try to shake the deep-rooted monopoly of the ruling communist party.

It is to these parties that goes the merit of wakening up the political awareness of the people for the ruling party for a long time has been reluctant to initiate any bold reform in Mongolia. By the day of elections the people have witnessed dramatic clash between new moods and outdated ways of thinking which in actual fact testify to the parting of Mongolia with the first Stalinist organization of society.

What are the reasons for the repeat voting in several constituencies? First, the law on elections proved to be very badly worked out. It was completed before the official registration of political parties, and so representatives of those parties did not participate in its working out. But my view is that even if they had, the law however would not have been any more better, for every new phenomena needs a certain experience to deal with. Another reason is that the coalition did not have any concerted policy as to the nomination of candidates. If they had one it would have been possible to avoid blunders within the coalition. [Words indistinct] so is the fact that 27,640 election lists were annulled.

Another reason was (?their) misunderstanding, which caused [words indistinct] that opposition parties had not had proper time to carry out their propaganda campaign in the rural areas. Mainly in these areas that cases of annullation were most frequent. For instance, in 7,668 rural workers who [words indistinct] the names of all parties on the voter preference form, thus showing their total indifference towards several political matters. On September the 3rd, the newly elected People's Great Hural will gather on its first session. It will elect Mongolia's president and the State Small Hural, supreme legislative body of Mongolia. According to the law, the State Small Hural is composed of 50 members plus a chairman, a deputy chairman, and secretary. The seats (?are a) function of the [words indistinct] road pursued by political parties and the party [words indistinct].

So far the MPRP, the Mongolian Democratic Party, the Mongolian Social-Democratic Party, and the Mongolian Party of National Progress have secured the seats in the Small Hural. The Party of Free Labor and the Greens Party did not manage to get them. They can now be considered as political outsiders. The next general elections, according to the law, will be held in five years. But maybe in a couple of years we shall face the necessity of holding preterm general elections. The opposition leaders have more than once spoken for this. In any case the 1990 general elections have been an important step towards building democracy in Mongolia and opening this country to the rest of the world.

Presidium Establishes Ministry of Labor

OW0908131390 Ulaanbaatar International Service in English 0910 GMT 9 Aug 90

[Text] The Presidium of the People's Great Hural of Mongolia has adopted a decree setting up a Ministry of Labor of the Mongolian People's Republic.

North Korea

Further on N-S Maneuvers on Pan-National Rally

Contact Proposed for 11 Aug

SK1008022590 Pyongyang Domestic Service in Korean 0110 GMT 10 Aug 90

[Radio message by Yun Ki-pok, chairman of the North side's preparatory committee for the pan-national rally, to the South side's promotion headquarters for the pan-national rally—read by announcer]

[Text] To the South side's promotion headquarters for the pan-national raliy:

The opening of the historic 15 August pan-national rally, which will be held for the first time since national division 45 years ago, is just a few days away. But regrettably, because of unjust interference and hindrance maneuvers by the South Korean authorities, your promotion headquarters' delegation could not attend the third preliminary contact held in Pyongyang on 6 and 7 August. We also cannot predict for now whether your side's delegation will be able to attend the 15 August pan-national rally in Panmunjom.

We think your promotion headquarters advanced a proposal to the third preliminary contact out of an earnest desire to ensure at all costs that all fellow countrymen in the North and South and abroad will get together and hold the pan-national rally on a grand scale. The third preliminary contact extended sympathy and understanding of the sorry state of your promotion headquarters, in which it had no alternative but to raise suddenly the issue of the venue of the pan-national rally. Even though it is difficult to move the venue of the rally at this time, all the participants agreed to your side's proposal that academic seminars and cultural activities on and around the rally be jointly arranged in Pyongyang and Seoul.

According to the final agreement by the third preliminary contact, I propose conducting a contact between the working-level officials of the two sides at 1500 on 11 August at the conference room of the Neutral Nations Supervisory Commission in Panmunjom to discuss academic seminars and cultural activities—which will be held in Seoul—and issues concerning activities that will take place when the grand Paektu-Halla march for hastening the reunification of the fatherland is held in the South side's area.

I will send two working-level officials, who will carry the credentials of the North side's preparatory committee, to Panmunjom at that time. I hope your promotion headquarters will take a corresponding measure.

Yun Ki-pok, chairman of the North side's preparatory Committee for the pannational rally

10 August 1990

Overseas Koreans Arrive

SK1008044590 Pyongyang KCNA in English 0440 GMT 10 Aug 90

[Text] Pyongyang August 10 (KCNA)—The historical Pan-National Rally for Peace and Reunification of the Country will be held on a large scale at Panmunjom on August 15.

It will be attended by nearly 1,000 Koreans at home and from abroad.

The rally will in its name adopt a resolution, an appeal to Koreans at home and abroad, and letters to the authorities of the North and the South of Korea, the U.S. President and the U.N. secretary general. And a function leaving for Mt. Halla will be held at Panmunjom on the same day.

Various functions will take place before and after the pan-national rally. On the 13th, a ceremony for a "grand march of national reunification" will be held on Mt. Paektu to leave Mt. Paektu for Mt. Halla with the burning desire of the entire fellow countrymen for reunification.

Symposiums on peace and reunification of the country will be held in three divisions in Pyongyang on August 14.

Joint meetings including athletic games and evenings of culture will be organized on the 16th and 17th.

Pyongyang and local cities are garbed in festive attire to welcome fellow countrymen attending the pan-national rally.

Lodging houses, transport means, medical service, use of communications and all other conditions are fully ready for the convenience of the South side's and overseas side's delegates to the pan-national rally during the rally.

Lecture, dissemination of songs on the theme of reunification and other functions for creating an atmosphere of national reunification are being conducted throughout the country before the August 15 pan-national rally.

A delegate of the South side's promotion headquarters for the pan-national rally, hundreds of Koreans from the Soviet Union, China and Japan have so far arrived in Pyongyang.

Overseas Koreans continue arriving to take part in the rally.

Statement by Student Chairman

SK1008082190 Pyongyang Domestic Service in Korean 0600 GMT 10 Aug 90

[News statement by Choe Hyon-tok, chairman of the Korean Students Committee, on 10 August—read by announcer]

[Text] News statement by Choe Hyon-tok, chairman of the Korean Students Committee:

The fact 2,000 university students affiliated with the Seoul District Federation of General Student Councils [Sochongnyon] of South Korea on 8 August applied to the authorities to visit Pyongyang for three days and two nights on 15 August to hold the Taedong festival to celebrate the desire for reunification with us is attracting great interest from our university students of the northern half of Korea.

When the 15 August pan-national rally for the nation's peace and reunification is near at hand and the ardent desire for reunification is being enhanced more than any other time, I recognize the proposal put forth by fellow students of Sochongnyon is a very timely and positive measure that can contribute to the nation's unity and promote the country's peaceful reunification. I ardently support and welcome this proposal.

As everyone knows, currently all compatriots of the North, South, and abroad are carrying out the all-nation great reunification march to promote the nineties as a decade of reunification. In marking the historic pan-national rally slated for 15 August, they are thoroughly prepared to take a vigorous great step forward for reunification.

This will have great significance if the youths and students of the North and South gather together at a time such as this and carry out a joint event for reunification.

Two years ago, fellow students of Sochongnyon and our university students initiated the great march to traverse the nation, all the way from Mt. Paektu to Mt. Halla. Already, from the time when the Panmunjom student talks were scheduled to take place to realize this great march, various joint struggles were carried out together along the patriotic road for reunification.

Our desire to devote our youth to the patriotic road for the nation and country, however, received a challenge every time from the splittist forces who run counter to reunification. A meeting between the youths and students of the North and South, therefore, has not been realized even once.

Today the joint interest of the nation focuses on pulling down the wall of division between the North and South and realizing free travel and complete opening. No one, therefore, can prevent the meeting between the students of the North and South who want to gather at the arena of reunification.

The visit to Pyongyang by fellow students of Sochongnyon and the joint festival for reunification by the students of the North and South must be realized without fail.

If fellow students of Sochongnyon visit Pyongyang, we will hold the Taedong festival for reunification which they had proposed, and with this opportunity it will be possible to discuss unreservedly and open-mindedly many issues of joint interest for the nation's reunification. These include pulling down the concrete wall between the North and South; the joint struggle of the youths and students of the North and South to realize free travel and complete opening; and the tasks of the youths and students of the North and South to realize the nation's independent and peaceful reunification without intervention from outside forces.

The only problem that must be considered in relation to scheduling their visit to the North is that, since the pan-national rally will be held on 15 August at Panmunjom, our side hopes your side can visit the North two days earlier for three days and two nights from 13 to 15 August.

To hold a series of working-level discussions regarding the visit to the North by fellow students of Sochongnyon, we hope to hold a working-level contact on 11 August at 0900 in the conference room of the Panmunjom Neutral Nations Supervisory Commission, in which three delegates of each side participate.

I strongly insist the South Korean authorities should no longer block the meeting between the students of the North and South, who are working to contribute to the nation's unity and the country's reunification.

If the South Korean authorities obstruct the Panmunjom contact between the students of the North and South to realize the visit to the North by fellow students of Sochongnyon, their 20 July special announcement which talked about the great national exchange before and after 15 August will be exposed once again as a lie to deceive the people at home and abroad and will show that they are splittists who do not want to realize the nation's unity and the country's reunification.

[Dated] 10 August 1990, Pyongyang

Efforts Toward Cross-Border Exchanges Continue

Ho Tam Urges Visit by Paek

SK0908123090 Pyongyang Domestic Service in Korean 1100 GMT 9 Aug 90

[News Statement by Ho Tam, Chairman of the Committee for the Peaceful Reunification of the Fatherland, issued in Pyongyang on 9 August—read by announcer]

[Text] According to a report, in a news conference on 8 August, Mr. Paek Ki-wan, standing advisor to the Party of the Masses in South Korea, expressed his intention to visit Pyongyang during the period of national exchange to be implemented by the authorities, accepting the proposal for convening a political consultative conference of the leading figures of the North and the South, which was put forward by the great leader Comrade Kim Il-song in his New Year's address last year.

On 3 August, the Party of the Masses in South Korea expressed its position on organizing a party delegation to visit the northern half of the Republic for 5 days from 13 August. Following this, Mr. Paek Ki-wan, standing advisor to this party, expressed his wish to visit Pyongyang.

Recognizing this as a decision made out of patriotism to realize the reunification of the nation as soon as possible, I sincerely welcome his proposal.

As has been widely known, in his New Year's address last year, the great leader Comrade Kim Il-song put forward a new proposal for convocation of a political consultative conference of the leading figures in the North and the South to discuss measures for national reunification. He stated that if leading figures in South Korea, including Mr. Paek Ki-wan visit the North with constructive reunification plans, he would welcome them and discuss with them frankly and candidly any proposal they may make.

The proposal for convening a political consultative conference by leading figures of the North and the South, which was put forward by the great leader Comrade Kim Il-song, is an authoritative plan that can pool the will of the people in the easiest way under present conditions and is a reasonable proposal that can realize the people's discussion of reunification measures in a most prompt way.

Therefore, our party and the Government of the Republic, attaching a great importance to the political consultative conference of the leading figures of the North and the South, have made patient efforts to realize it.

However, the South Korean authorities have not shown a deserved response to our reasonable and realistic proposal. Rather, they arrested inside an airplane the aged Reverend Mun Ik-hwan, who openly visited Pyongyang upon our official invitation as a leading figure to participate in the political consultative conference and returned to South Korea after discussing issues of reunification with us. They, without hesitation, imposed a heavy penalty upon him, charging him with violating the National Security Law.

Because of insincere and repressive antireunification acts by the South Korean authorities who do not want dialogue for reunification, our just and fair proposal for a political consultative conference has not yet been realized.

Although the political consultative conference was not held as proposed, there is no change in our fundamental position to meet the leading figures of South Korea and to frankly exchange views on reunification issues with them. Thus, our proposal for convening a political consultative conference by the leading figures in the North and the South is still effective today.

If Mr. Paek Ki-wan, standing advisor to the Party of the Masses, visits Pyongyang, we will warmly receive him as an envoy of reunification with a sense of kinship and gladly provide a table for sincere discussion of reunification with him. We will offer all conveniences to him and guarantee his personal safety during his visit to Pyongyang.

The South Korean authorities said that they will allow all organizations and individuals without restriction to visit the North during the period of grand national exchange. If their statement is not false, Mr. Paek Ki-wan will not face any hindrance in visiting Pyongyang as he hopes.

We express our expectations that Mr. Paek Ki-wan's visit to Pyongyang be realized without fail.

[Dated] 9 August 1990, Pyongyang

Message to ROK Prime Minister

SK0908104690 Pyongyang KCNA in English 1027 GMT 9 Aug 90

[Text] Pyongyang August 9 (KCNA)—Yon Hyong-muk, premier of the Administration Council of the Democratic People's Republic of Korea, today sent a telephone message to Kang Yong-hun, "prime minister" of South Korea.

Expressing regret at the South Korean "prime minister's" proposal to "exchange the lists of the names of visitors" in his telephone message dated August 8, Yon Hyong-muk said:

This time you, pretending to be willing to accept our consolation team for Yim Su-kyong, said that the team will not be allowed to meet the "people in jail" but will be able to meet their families and lawyers, thus virtually turning down our offer to send the consolation team to Yim Su-kyong.

Our offer to send the consolidation [as received] team to Yim Su-kyong is only too natural, either from the humanitarian point of view or from the compatriotic feelings to console the envoys of reunification or from the national desire to develop contact and travel between the North and the South.

It does not contradict the "order" and "system" of your side, judging particularly from the promise of your side's person in authority in his July 20 "special announcement" and the "followup steps" that anyone who wants will be allowed to visit any place of South Korea and meet anyone.

To say now that one will not be allowed to meet some people and be allowed to meet others is as good as saying that the talk about "grand inter-Korean exchanges of people" and "free travel" for five days around August 15 is a lie and that any travel between the North and the South will not be allowed.

Your side's proposal to "exchange lists of names" is nothing but an artifice aimed at covering up its true color in opposing the convocation of the pan-national rally and free travel and full-scale opening between the North and the South and making a mockery of public opinion and deceiving it.

Your side blocked the delegates of "Chonminnyon" [National Democratic Alliance of Korea] who initiated the pan-national rally from coming to Pyongyang, rejected the application for northern trip submitted by 15 priests of the national Roman Catholic priests' group for the realisation of justice and is even opposed to our offer to send a consolation team to Yim Su-kyong. Yet now your side is doing the business of "applications for visit to the North" and proposing the "exchange of the lists of the names of visitors". No one would believe that this is pure and sincere.

We make it clear that we are ready to immediately consider your proposal on the "exchange of the lists of the names of visitors", if your side, from the sincere stand for contact and free travel between the North and the South, allows our side's consolation team for woman student Yim Su-kyong meet and console her and Rev. [Reverend] Mun Ik-hwan and Father Mun Kyu-hyon in South Korea, gives an official permit to the delegates of "Chonminnyon" and "Chondaehyop" [National Council of University Student Representatives] to participate in the pan-national rally and scraps the "National Security Law" barring travel between the North and the South.

Message to Unification Board

SK1008041790 Pyongyang Domestic Service in Korean 0300 GMT 10 Aug 90

[Telephone message sent by An Pyong-su, director of the Committee for the Peaceful Reunification of the Fatherland (CPRF), to ROK Unification Board Minister Hong Song-chol on 10 August—read by announcer]

[Text] I, with authorization, once again will reveal our standpoint in connection with a few principled demands that were pointed out in the telephone message sent by our side's Administration Council premier on 9 August.

To pull down the division barrier and realize free visits and full-scale opening between the North and the South is a principled question we should settle without fail for reunification.

In connection with such an important question, now, no one should commit the foolish act of making a fool of the nation and of deceiving public opinion.

Now, in connection with the question of exchanges and visits, the world people cannot but express deep doubt and apprehension, because your side has committed a self-contradiction, an inconsistency—the fact that the remarks your authorities made yesterday are different from their activities today, and the remarks by your side's high-level person in authority are different from those your side's low-echelon persons made.

This being the case, in the 9 August telephone message our Administration Council premier sent to your side's prime minister, we raised a few important principled questions and urged your side to at least respond to the demand with sincere attitudes.

Once again we clearly have the readiness to consider your side's proposal at once, if your side sincerely wants visits and has the intention for reunification; if your side expresses sincerity for visits and exchanges, by having our side's consolation group visit the South side area as scheduled; by having the group visit Yim Su-kyong, Reverend Mun Ik-hwan, and Father Mun Kyu-hyon; by having representatives of the National Democratic Alliance of Korea [Chonminnyon] and the National Council of University Student Representatives [Chondaehop] officially participate in the pan-national rally on 15 August; and by abrogating the National Security Law—a stumbling block to visits between the North and the South and to exchanges—as your side admits.

We will continue to watch your attitude.

South Taking Travel Requests

SK1008051790 Pyongyang KCNA in English 0500 GMT 10 Aug 90

["Tricky Drama of Those Driven Into Tight Corner"—KCNA headline]

[Text] Pyongyang August 10 (KCNA)—The South Korean military fascist clique which blocked the delegates of the South side's promotion headquarters from visiting Pyongyang to participate in the third preliminary contact for the preparation of the pan-national rally are now staging the strange drama of "accepting applications for visit to the North", as if they would satisfy the wish of the applicants.

This business of the puppets is nothing but a ham-handed gimmick to foil the pan-national rally scheduled in Panmunjom, lull the home and foreign public opinion demanding the demolition of the concrete wall and free travel and complete opening between the North and the South, remove their serious internal political uneasiness and bridge over their ruling crisis, a news analyst of NODONG SINMUN today says, and continues:

As was reported, the Committee for the Peaceful Reunification of the Fatherland in a statement concerning No Tae-u's July 20 "special announcement" held that if the South Korean authorities truly wanted to realise travel through Panmunjom, they must pull down the concrete wall, the chief obstacle to it, scrap the "National Security Law", release first those who visited the North at least and stop obstructing the August 15 pan-national rally.

But the South Korean puppets have acceded to none of our just demands.

Worse still, they violently blocked the way of delegates of the coalition for national democratic movement [National Democratic Alliance of South Korea] (Chonminnyon) to the North for the third preliminary contact.

Free travel between the North and the South does not require any "application" and "acceptance". It is enough to let people from all walks of life visit and have contact and dialogue with each other.

If the South Korean authorities truly hope for free travel, complete opening and the country's reunification, they must, above all, tear down the concrete wall they built, abolish the "National Security Law" which hinders contact and meeting for national reunification and take practical steps to realise free travel and full-scale opening.

North Forms 'Consolation Team' for ROK Student

SK0908102390 Pyongyang KCNA in English 1000 GMT 9 Aug 90

[Text] Pyongyang August 9 (KCNA)—A consolation team to be sent to South Korea to meet woman student Yim Su-kyong, the "flower of reunification", now suffering in Chongju Women's Prison in South Korea was formed in Pyongyang on August 8, representing the unanimous will of the entire people and students in the northern half of the country. The team led by Yo Yon-ku, chairwoman of the Korean Committee of Struggle for the Release of Yim Su-kyong, consists of 30 persons including officials of political parties, public and

religious organisations, presidents and rectors of universities, teachers and students of universities which registered coed Yim as an honorary student, and people of other strata, accompanied by 20 reporters.

The team will carry various kinds of comforts from people in all parts of the northern half of the country to woman student Yim Su-kyong, Rev. [Reverend] Mun Ik-hwan, Father Mun Kyu-hyon and their families.

It hopes to go to South Korea through Panmunjom at 10 on the morning of August 14.

Head of the consolation team Yo Yon-ku, chairwoman of the Korean Committee of Struggle for the Release of Yim Su-kyong, told the reporter that the dispatch of the consolation team is natural in light of humanitarianism and compatriotic feelings.

Since the South Korean chief executive declared in his "special announcement" on July 20 that he would open South Korea for five days around August 15 and, in this period, let anybody go anywhere and freely meet anybody in South Korea, there is no problem for the consolation team to go to South Korea and meet coed Yim Su-kyong, Rev. Mun Ik-hwan and Father Mun Kyu-hyon, Yo Yon-ku said. She stressed that the South Korean authorities should receive the consolation team for Yim and take an early step to guarantee their personal safety and conditions and conveniences for their activities.

With the August 15 pan-national rally drawing near, the people of all walks of life in the northern half of the country are lifting up louder voices demanding that the team be allowed to meet and console woman student Yim Su-kyong, the girl who went back to South Korea through Panmunjom on August 15 last year.

The offer to dispatch the consolation team for Yim Su-kyong reflecting the ardent desire of the fellow countrymen is not contrary to the July 20 "special announcement" of the South Korean chief executive that he would open South Korea through Panmunjom for five days around August 15.

The South Korean rulers, however, are blocking the consolation team for Yim Su-kyong from visiting South Korea. This clearly shows once again that they are splittists of the nation bereft of the last shreds of humanitarianism and national conscience.

It also clearly shows that the "grand inter-Korean exchanges of people" and "exchange of the lists of names of visitors" loudly advertised by them are all sham and a third-rate drama to cover up their true color as the divisionists.

The South Korean authorities must allow our consolation team to meet and console woman student Yim Su-kyong, Rev. [Reverend] Mun Ik-hwan and Father Mun Kyu-hyon in South Korea and allow delegates of "Chonminnyon" [National Democratic Alliance of South Korea] and "Chondaehyop" [National Council of University Student Representatives] to participate in the pan-national rally and abolish the "National Security Law" that bars travel and contact between the North and the South.

Team Sent 'at All Costs'

SK1008104690 Pyongyang KCNA in English 1033 GMT 10 Aug 90

[Text] Pyongyang August 10 (KCNA)—The Korean committee of struggle for the release of Yim Su-kyong in a statement today emphasizes that it will send the consolation team for Yim Su-kyong to South Korea at all costs in defiance of the obstructions on the part of the South Korean authorities and thus certainly satisfy the noble desire of all the fellow countrymen, young and old, men and women, to console the envoys of reunification.

Sharply condemning the South Korean authorities for turning down our humanitarian offer by stating that it would not be allowed to meet the "people in jail" in answer to the August 1 letter of the chairwoman of the Korean committee of struggle for the release of Yim Su-kyong, the statement says:

The intention of the Korean committee of struggle for the release of Yim Su-kyong to meet woman student Yim Su-kyong, Rev. [Reverend] Mun Ik-hwan and Father Mun Kyu-hyon and console them, the envoys of reunification, is a unanimous ardent desire of the entire people and students in the northern half of the country.

It is only too elementary and natural either from the humanitarian point of view or from the compatriotic feelings.

No Tae-u's Visit to Eastern 'Front' Assailed

SK0908153290 Pyongyang KCNA in English 1519 GMT 9 Aug 90

[Text] Pyongyang August 9 (KCNA)—The traitor No Tae-u today whipped up war hysterics at units of the puppet Army in the eastern sector of the front, according to a radio report from Seoul.

He openly revealed his ambition for aggression on the North, drivelling that "the logic of strength remains unchanged" and "preparedness must be perfect."

His bellicose outburst, with the pan-national rally at hand, clearly shows how much displeased he is with the grand festival of the entire fellow countrymen desirous of the independent and peaceful reunification of the country and how desperately he is working to throw a wet blanket over the earnest desire of the nation for reunification.

The fellow countrymen will never pardon the crimes of No Tae-u, the disturber of peace, warmaniac and anti-reunification separatist.

The Korean people are watching with heightened vigilance the No Tae-u group's anti-peace, anti-reunification moves.

Foreign Press Reports ROK Student Protests

SK1008044390 Pyongyang KCNA in English 0434 GMT 10 Aug 90

[Text] Pyongyang August 10 (KCNA)—Some 700 students in Seoul staged an anti-U.S., anti-"government" struggle Wednesday, according to a foreign press report.

Students of Koryo University denounced the U.S. imperialist aggression forces' occupation of South Korea as an obstacle to the reunification of the Korean peninsula, shouting "Drive out Yankees blocking national reunification".

They branded the July 20 "special announcement" of the traitor No Tae-u as a deception and condemned the anti-reunification splittist schemes of the present "Democratic Liberal Party government."

Students in Pusan held a demonstration, chanting slogan "Yankees, go home" in front of the U.S. military base and students in Kwangju attempted to attack the "American Cultural Centre" in Kwangju. They, members of the "death squad for the peaceful reunification of the country", strongly demanded an end to the U.S. military occupation of South Korea.

U.S. Urged To Create 'Favorable Atmosphere'

SK0908111990 Pyongyang KCNA in English 1008 GMT 9 Aug 90

[Text] Pyongyang August 9 (KCNA)—NODONG SINMUN today runs an article titled "The United States Must Create Favorable Atmosphere for Korea's Reunification".

Stressing that the U.S. domination and interference in South Korea must be terminated, if the reunification of Korea is to be achieved, the author of the article says:

If the United States is to play a positive role in achieving the reunification of Korea as a party directly responsible for the Korean question, it must rectify its anachronistic Korean policy to perpetuate the division of our country by creating "two Koreas" and keep hold on South Korea as an anti-communist bulwark and a nuclear forward base and, with it as the springboard, provoke another war against the North.

It must pull nuclear weapons and all other aggression forces out of South Korea before anything else.

The U.S. forces occupying South Korea and nuclear arms are the chief obstacle which is prolonging the division of Korea and the main factor in deepening confrontation, coiling up tensions and increasing the danger of war.

As long as the United States troops and nuclear weapons remain in South Korea, it is impossible to achieve peace in Korea and her peaceful reunification.

What is also important for the United States to create a favorable atmosphere for peace in Korea and her peaceful reunification, is to immediately accede to the signing of a peace agreement with the DPRK.

If the DPRK and the United States sign a peace agreement which will replace the Armistice Agreement and the United States withdraws its forces from South Korea, a durable peace will be guaranteed in Korea and important conditions for the independent and peaceful reunification of Korea created.

If the United States is interested in the peaceful settlement of the Korean question, there is no reason for it to refuse to replace the Armistice Agreement with a peace agreement.

The "two Koreas" plot and the reunification of Korea are utterly incompatible.

The United States must refrain from encouraging the South Korean puppets to the "nordpolitic" and weaving a plot to legalise the division of Korea worldwide, talking volubly about "simultaneous entry into the United Nations" by the North and the South and South Korea's "unilateral entry" into it. It must not do negative acts obstructive to North-South dialogue.

North-South high-level talks will be held before long and Panmunjom will be the scene of the pan-national rally, the grand national festivity for reunification, on August 15.

While voicing welcome to North-South dialogue, the United States is behind the scene persistently, doing things against it, while encouraging the South Korean puppets to confrontation accompanied by dialogue and competition accompanied by dialogue.

If the United States really wants North-South dialogue, it must make it clear that it will stop military manoeuvres and arms buildup in South Korea and thus give impetus to the dialogue and carry into practice its talk about the withdrawal of the U.S. forces from South Korea.

We will follow the United States whether it does things beneficial to peace in Korea and her peaceful reunification, or not and, through this, assess the truth of its claim that it hopes for peace in Korea and her peaceful reunification.

U.S. 'Surprise Strike' Exercises Denounced

SK0908110890 Pyongyang KCNA in English 1045 GMT 9 Aug 90

[Text] Pyongyang August 9 (KCNA)—The U.S. imperialists brought formations of FA-18 pursuit-assault planes to the Osan Airforce Base from Iwakuni Base, Japan, around 12:00 on August 5 to frantically stage a surprise strike exercise against the northern half of Korea in the

air above the Oeyon Islet and Pyongchang area till 18:00 in coordination with formations of F-16, F-15 and F-5 fighter-bombers beloning to the U.S. Seventh Airforce in South Korea and the puppet Airforce, according to military sources.

On the 6th, they staged a joint exercise aimed at surprise strikes at the strategic interior and targets of the inland areas of the northern half of Korea by bringing several formations of F-15, A-6 and other types of fighter-bombers and assault planes from their Pacific bases. The planes mobilized in this exercise totalled 350.

The U.S. imperialists and the South Korean puppets hysterically staged air-to-air and air-to-ground firing exercises against the North on the 4th with the mobilization of a total of 240 planes including F-5 and F-15 fighter- bombers.

Meanwhile, several formations of C-141 planes transported combat equipment from the Yokota Base, Japan, to the Osan Airforce Base from 10:00 to 11:00 on the 5th and from 08:00 to 11:00 on the 6th.

NODONG SINMUN Views U.S. 'War Plan'

SK1008051590 Pyongyang KCNA in English 0456 GMT 10 Aug 90

["'Plan of Pacific Forces' is a War Plan"—KCNA headline]

[Text] Pyongyang August 10 (KCNA)—NODONG SINMUN in a commentary today brands the U.S. imperialists' "Pacific forces plan" as a war plan.

The U.S. paper THE NEW YORK TIMES recently reported that the "Pacific forces" will discharge missions in case of "emergency" in South Korea, Japan and other areas.

Under this plan 3 or 4 tactical flying corps, 6 carriers, marines support brigades and so on will be deployed at all times in the Asia-Pacific region including South Korea and Japan.

The news analyst says:

Thus, the U.S. imperialists' "Pacific forces plan" is a plan for a war of aggression to concentrically deploy their naval and air forces in the Asia-Pacific region and seize the sea and air command by taking advantage of their preponderance and make surprise attacks on our country and other socialist countries.

This tells that they chose to further step up their aggressive maritime strategy and forward deployment strategy in this region.

It goes without saying that this plan was aimed at coping with "emergency" on the Korean peninsula.

The U.S. imperialists direct the sharp edge of their aggression against the Korean peninsula in the Asia-Pacific region and, for the present, focus their maritime strategy and forward deployment strategy on the ignition of another war against the North of Korea.

It is entirely because of their policy of strength that the situation on the Korean peninsula and other parts of the Asia-Pacific region has not yet been improved.

If they truly want peace and security in this region, they must not reinforce their armed forces but take practical steps of reducing and withdrawing them.

Daily Praises 'Anti-U.S. Joint Struggle' Month

SK1008105190 Pyongyang KCNA in English 1018 GMT 10 Aug 90

[Text] Pyongyang August 10 (KCNA)—The worldwide solidarity movement in the period of the June 25-July 27 month of anti- U.S. joint struggle was a powerful demonstration of international support and encouragement to the Korean people in their just struggle to remove the danger of the outbreak of another war and guarantee a durable peace on the Korean peninsula and to achieve the national reunification, and a clear proof of constant growth of the ranks of the supporters and sympathizers for our revolution, says NODONG SINMUN Friday in an editorial on the successful conclusion of the month of the anti-U.S. joint struggle.

Noting that voices of solidarity that loudly rang out from every part of the world in this period greatly encouraged the Korean people who are fighting to get the U.S. forces withdrawn from South Korea and achieve the independent and peaceful reunification of the country, the editorial stresses:

The Korean people extend deep thanks to the peoples, political parties and public organisations of all countries, international bodies, international democratic organisations and prominent figures of all circles for expressing positive and sincere support and solidarity for their righteous cause in this period.

As the month showed, our peace overtures and reunification proposals have evoked broad support and sympathy at home and abroad for their justness and reasonableness.

In order to ease tension and guarantee peace on the Korean peninsula, it is required to sign a peace agreement between the DPRK and the United States, adopt a nonaggression declaration between the North and the South, drastically reduce armed forces of the North and the South and withdraw the U.S. troops and nuclear weapons from South Korea.

The U.S. Government should fundamentally change its policy toward Korea and sincerely fulfil its commitment as a party responsible for the Korean question in keeping with the trend of the time toward dialogue and detente. It should not make a mockery of the opinion at home and abroad with the deceptive "reduction" of the U.S. forces but take a practical step to withdraw its troops and nuclear weapons from South Korea.

The South Korean authorities should not seek permanent division of the country and war against the North under the patronage of the U.S. imperialists but show an

affirmative response to our new disarmament proposal at an early date. And they should not merely talk about "exchange" and "travel" but, in response to our proposal, pull down the concrete wall, scrap the "National Security Law", work for the realisation of free travel and complete opening between the North and the South and stop the despicable moves to foil the August 15 pan-national rally.

The Korean people firmly believe that the progressive people of the world will lift up louder voices of solidarity for their just cause in the future, stresses the editorial.

Former Soviet Army Surgeon Arrives for Visit

SK0908111090 Pyongyang KCNA in English 1049 GMT 9 Aug 90

[Text] Pyongyang August 9 (KCNA)—Mikhail Shulman, a former Soviet Army surgeon, and his party arrived here today to visit Korea.

They were met at the airport by Hyon Tu-hyok, vice-director of the party history institute of the Central Committee of the Workers' Party of Korea, and the minister-councillor of the Soviet Embassy here.

Meeting Closes 'Month of Solidarity' With Cuba

SK1008050590 Pyongyang KCNA in English 0445 GMT 10 Aug 90

[Text] Pyongyang August 10 (KCNA)—A closing meeting of the "month of solidarity with the Cuban people" was held at the South Hwanghae Provincial Art Theatre on August 9.

Kim Chang-sik, chairman of the South Hwanghae Provincial Administration and Economic Guidance Committee, spoke first at the meeting.

The "month of solidarity with the Cuban people" is marked off in our country each year around the day of the attack on the Moncada barracks by the Cuban revolutionaries under the guidance of Comrade Fidel Castro Ruz 37 years ago, he said, and went on:

Our people extend firm solidarity with the fraternal Cuban people who are promoting the revolutions and construction under the banner of socialism, smashing the anti-Cuban moves of the U.S. imperialists.

All the functions in this month of solidarity marked an important occasion in strengthening and developing to a higher stage the friendly relations between the two countries which were established and have been consolidated and developed on the basis of the deep intimacy between the great leader Comrade Kim Il-song and Comrade Fidel Castro Ruz, the supreme leader of the Cuban people.

The Cuban people have actively pushed ahead with the revolution and construction, upholding the banner of socialism under the revolutionary motto "motherland or death, we will win" from the first days of the victory of the revolution.

Cuban Ambassador here Juan Jose Leon Vega spoke next.

The attack on the Moncada barracks staged under the guidance of Fidel Castro, he said, opened a bright road for the victory of the Cuban revolution. The Cuban people invariably advanced along the road of socialism after the victory of the revolution, he noted, and continued:

The Cuban people always express full support to the just cause of Korea's reunification and feel heartsore at the division of Korea as Koreans do.

The Cuban people unswervingly support the five-point policy for national reunification put forward by the great leader of the Korean people Comrade Kim Il-song in his policy speech at the first session of the 9th Supreme People's Assembly. This policy is a realistic one supported by the world progressive peoples.

Noting that Cuba and Korea are firmly defending socialism in the western and eastern hemispheres of the globe, he stressed that the two peoples will vigorously advance toward a complete victory of socialism under the party leadership, holding in high esteem the great leader Comrade Kim Il-song and Comrade Fidel Castro, supreme commander.

Hwang Chang-yop Meets Cameroonian Delegation

SK0908111290 Pyongyang KCNA in English 1050 GMT 9 Aug 90

[Text] Pyongyang August 9 (KCNA)—Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea, today met and had a friendly conversation with the chuche idea study delegation of Yaounde University of Cameroon led by Prof. [Professor] Mono Ndjana Hubert, secretary of the Central Committee of the People's Democratic Rally of Cameroon.

Present on the occasion was President of the Chuche Idea Academy Yi Chi-su.

Seychellois Delegation Completes Korean Visit

SK1008104890 Pyongyang KCNA in English 1031 GMT 10 Aug 90

[Text] Pyongyang August 10 (KCNA)—A government delegation of the Republic of Seychelles led by Minister of Planning and External Relations Danielle de St. Jorre left for home today after paying a visit to Korea at the invitation of the Government of the Democratic People's Republic of Korea.

It was seen off at the airport by Vice-Premier and Foreign Minister Kim Yong-nam and officials concerned.

During its stay the delegation visited the old home in Mangyongdae where President Kim Il-song was born and went round the West Sea barrage, the Taean heavy

machine complex, the Tower of the Chuche Idea and Pyongyang embroidery institute.

NODONG SINMUN on 'Socialist Democracy'

SK0508084590 Pyongyang KCNA in English 0832 GMT 5 Aug 90

[Text] Pyongyang August 5 (KCNA)—Socialist democracy in our country is the most superior democracy that ensures the independence of the people to the fullest measure in the political, economic and cultural life and in all other spheres of the social life, says NODONG SINMUN today in an article contributed by Prof. [Professor] and Dr. Kim Chang-won.

The article quotes the great leader Comrade Kim Il-song as saying:

"Socialist democracy in our country is politics of the people themselves which enables the people to hold the position of masters and fulfil their role as masters; it is the best of all democratic politics that makes it possible to combine the chajusong of individuals closely with that of the collective and to realise both satisfactorily."

The article says:

Socialist democracy is politics of the people themselves exercised in the socialist society, a true society of the people, and the basic method of the state activities for the them.

The advantages of socialist democracy find expression in that it makes it possible to combine the independence of individuals closely with that of the collective and to realise both satisfactorily.

Bourgeois democracy is politics defending the life and interests of individuals in the capitalist society where the people are confronted with each other in their interests.

Individuals' freedom and equality advertised by bourgeois democracy are nothing but a camouflage for embellishing the anti-popular rule of the capitalist society where the domination and subjugation of man by man and all manner of inequality have been carried into extremes.

Shaping policies by consummating the people's will and requirements and implementing them in reliance upon their strength, socialist democracy makes it possible to fully realise the independence of the collective.

It not only respects the independence of the collective and the common interests but also values the independence and interests of all the members of the collective and fully defends the freedom and equality of individuals conducive to the independence of the collective. What it opposes is selfishness that puts the interests of individuals above those of the collective.

Prevalent in socialist democracy is comradeship and mutual cooperation, not conflicts and mutual restraint like in bourgeois democracy.

Our socialist democracy is a superior democracy that fully and substantially ensures genuine freedom and rights of the people in all fields of the state and social life and provides them with a happy economic and cultural life on the full responsibility of the state, stresses the article.

Party, People Increasing Work on Tongil Street

SK0908053290 Pyongyang Domestic Service in Korean 1200 GMT 8 Aug 90

[Text] The party members and the working people in Kangwon Province are effecting upsurges in the work to support the construction site of Tongil Street.

Comrade Cho Chun-sok, deputy director of a department of the Kangwon Provincial Administrative and Economic Guidance Committee, and Comrade Cho Yong-chol, guide of the Building Materials General Bureau for Provincial Local Construction, meets with Hyon Song-yol, correspondent from the Korean Central Broadcasting Station. They say as follows:

[Begin first man recording] Our Kangwon Province has sent many materials to support the construction of Tongil Street. First of all, to settle a question concerning transportation of building materials, we have already produced and guaranteed 250 freight cars to transport building materials. In addition, we produced and guaranteed approximately 600 tons of electrical supplies, including electric zinc plates, electric wires, and other electrical appliances. And, we produced and guarateed approximately 15,000 valves of various types and approximately 30,000-square meters of tiles of various types.

Also, we produced and guaranteed approximately 4,000 pieces of equipment of various types, including ventilators and pumps.

In particular, to guarantee timber production, responsible functionaries of the Forestry Management Bureau in Kangwon Province produced and guaranteed approximately 1,500 cubic meters of timber. Thus, they have made a great contribution to the construction of Tongil Street. [end recording]

[Hyon] I think there have been many exemplary works in preferentially guaranteeing facilities and equipment.

[Begin second man recording] Yes. In July, plants and enterprises in the province showed the example of preferentially producing and guaranteeing facilities and equipment needed for capital construction. In addition, plants and enterprises—including the 18 May Plant in Munpyong smeltry, Wonsan chemical plant, Wonsan electric wire plant, and Chonil cement complex—set an example by overfulfilling more than 100 percent of July assignments.

In particular, responsible functionaries at Munpyong smeltry carried out economic and organizational works, thus setting an example by overfulfilling July assignments. [end recording]

[Hyon] I think there have been several occasions of work to support construction of Tongil Street as a mass campaign, along with work to ensure equipment and facilities.

[Begin first man recording] Yes. Last year, we supported approximately 200 tons, including about 130 vehicles and equipment and facilities of various types, to the construction of Tongil Street. Our province will also preferentially ensure equipment and facilities of various types in future, which are needed for the construction of Tongil Street, according to the monthly plan. [end recording]

New Universities, Colleges Recently Established

SK0808152590 Pyongyang KCNA in English 1514 GMT 8 Aug 90

[Text] Pyongyang August 8 (KCNA)—Three universities, two university branches and two colleges have been founded recently in Korea.

The new Hamhung University of Light Industry, Amnokgang University of Technology, Sonbong University of Agriculture, Pyongyang College of Food Administration and Sunchon College of Light Industry will create more favourable conditions for the training of field technical personnel in keeping with the future requirements of the development of the national economy, and they will help the working people finish university courses without leaving their work places.

School branches of Kim Chaek University of Technology and Pohang University of Technology have been newly set up.

Senior middle school graduates, working people who have received the 11-year compulsary education and ex-service men are admitted to the new universities and colleges.

Power Stations Said Fulfilling Daily Targets

SK0708151690 Pyongyang KCNA in English 1501 GMT 7 Aug 90

[Text] Pyongyang August 7 (KCNA)—Power stations of the country are topping the daily plans [by] 15 percent.

The Changjingang Power Station is surpassing its daily quotas 29 percent through the remodeling of the waterwheels to raise its efficiency to the maximum.

The Hochongang Power Station produced 25 million kwh of electricity outside its plan in July. Its daily plans are now topped 40 percent.

The March 17 Power Station, the Taechon Power Station, the Kanggye Youth Power Station, the Pujongang Power Station and other power stations are also overfulfilling their daily assignments.

Significant achievements have also been announced in railway transport.

The Najin Locomotive Corps under the General Bureau of Northern Railways is transporting 8,000 more tons of freight than the daily plans in August.

The Railway Corps under the General Bureau of Eastern Railways are fulfilling their daily assignments at 130 percent in railway repair such as laying heavy rails in place of light rails and replacing wood sleepers with concrete sleepers.

South Korea

Shevardnadze Said Planning Sep DPRK Visit

SK1008124190 Seoul YONHAP in English 1217 GMT 10 Aug 90

[Text] Seoul, Aug. 10 (YONHAP)—Soviet Foreign Minister Eduard Shevardnadze will visit North Korea next month on his way back from his tour of Japan slated for Sept. 5-7, a leading vernacular paper here has reported.

Quoting an unidentified South Korean Government official, the CHOSUN ILBO newspaper said in its Saturday [11 Aug] editions that Shevardnadze will arrive in Pyongyang around Sept. 7 and have a series of discussions with senior North Korean leaders which are expected to center upon issues concerning [the] inter-Korean situation and Soviet relations with South and North Korea.

The source was quoted as saying, "Shevardnadze's visit this time would not be a common one based simply on friendship purposes. It seems to be related more with an effort to redress bilateral discord over Korean problems and other issues." He reportedly said that the Soviet official is expected to reaffirm in Pyongyang a Soviet wish to see Pyongyang adopt open-door policy and reforms. Shevardnadze will stress the need to step up efforts to build dialogue and confidence between South and North Korea as a way to ease tension in the Korean peninsula, he added.

Reaction to Iraqi Moves in Gulf Region Continues

Could Encourage North Violence

SK1008003190 Seoul THE KOREA TIMES in English 10 Aug 90 p 6

[Editorial: "Concern About Mideast Crisis"]

[Text] Tension has been escalating in the Middle East region since Iraqi forces overran Kuwait on Aug. 2. The current development is thought likely to lead to a military confrontation between the United States and Iraq, igniting an overall regional conflict.

U.S. President George Bush, announcing Wednesday the dispatch of thousands of paratroopers and hundreds of fighters and battleships to the Mideast, again demanded Iraq's "immediate, complete and unconditional" withdrawal of its forces from Kuwait. The American military deployment overseas is the largest since the Vietnam War.

Iraqi President Saddam Husayn, ignoring such calls by Bush, declared that Iraq and Kuwait have united into a single nation. He also said his nation is ready to face any confrontation with any foreign intervention.

Bush also warned Husayn against using chemical weapons, but made it clear that the U.S. massive military actions were wholly defensive. Nevertheless, nobody can exclude the possibility that a war may break out because of the serious movements of naval battle groups led by aircraft carriers and the loading of chemical weapons. Iraq used the lethal weapons during its 1980-88 war against its neighbor Iran.

What is most hoped is that all parties involved in the turmoil exercise restraint to prevent the situation from flaring up into a war. A regional conflict will not only rock the prevailing detente between the East and West, it will also devastate the world economy and peace. It will be inevitable for our nation to join Western nations in implementing the trade sanctions taken by the United Nations against Iraq. The problem is how to effectively take into account the nation's interests there.

More than 10,000 Koreans are at work on major construction projects in the two Middle East countries. Korea imports 39,000 barrels of crude oil from Iraq and 70,000 barrels from Kuwait. Construction orders won by Korean contractors total $700 million in Iraq and $170 million in Kuwait. Anyway, the shock wave in the Middle East has the potential to threaten Korea's economic interests.

We cannot but be concerned if North Korea which is capable of making an atomic bomb, might be encouraged by the bold act by Husayn and react irrationally and violently. Kim Il-song, who belligerently defies the international trend towards reforms rocking the communist bloc, might be tempted, if he felt threatened, to use its powerful forces.

If he believed his nation is beset by economic stagnation and diplomatic isolation, Kim might resort to an inhumane act of war. The Pyongyang leader, who claims to be the only defender of communism, can now distance himself from Moscow's reforms. In fact, Soviet influence on Pyongyang appears to be shrinking correspondingly.

The nation should keep an eye on the moves in the North and development in the Middle East. The impact the Middle East crisis will have on Korea is of paramount importance. Higher oil prices could fuel inflation and slow down economic growth. No matter what Iraq's claims and intentions are, we cannot permit any country to resort to military actions to attain its goals. The government should spare no efforts to urge the pullout of occupants of Kuwait to help solve the Mideast crisis not by force but through peaceful means. At the same time, the government and people should be wise enough to avoid some of the worst effects of another or third global oil shock.

Official Details Sanctions

SK1008011690 Seoul YONHAP in English 0054 GMT 10 Aug 90

[Text] Seoul, Aug. 10 (YONHAP)—South Korea will refuse to undertake new construction projects in Iraq and annexed Kuwait or to trade with the two nations, except for medicine and other items for humanitarian purposes, Vice Foreign Minister Yu Chong-ha announced Thursday afternoon.

Emerging from a cabinet meeting on sanctions against Iraq, Yu said, "Korea has never exported arms to Iraq or Kuwait, and will not sell them military equipment in the days ahead.

"We have also decided not to buy crude from the two countries. We are answering fully to the U.N. Security Council's resolution on economic sanctions." There are no Iraqi or Kuwaiti assets in Korea to be frozen, Yu added.

The Security Council on Monday adopted an eight-point resolution highlighted by bans on trade of goods, services and arms, and financial and economic assistance. U.N. Secretary-General Javier Perez de Cuellar telegraphed the resolution to Foreign Minister Choe Ho-chung on Wednesday. Yu said Baghdad was notified of the economic sanctions on Thursday morning by the Iraqi Embassy in Seoul. In an effort to secure the safety of the 1,300 Koreans in Iraq and Kuwait, an inter-ministerial task force went into operation on Thursday headed by Ambassador-at-Large Kwon Pyong-hyon, he said.

"There is no way to withdraw them at present. We will seek to move them to safer places," Yu said. The meeting was attended by Prime Minister Kang Yong-hun, Deputy Prime Minister Yi Sung-yun, Defense Minister Yi Sang-hun, Finance Minister Chong Yong-ui, Trade-Industry Minister Pak Pil-su, Energy-Resources Minister Yi Hui-il, Transportation Minister Kim Chang-sik, Information Minister Choe Pyong-yol, Yu, and An Chi-sun, chief of administration coordination at the Prime Minister's Office.

Export Losses Cost Millions

SK1008020190 Seoul YONHAP in English 0143 GMT 10 Aug 90

[Text] Seoul, Aug. 10 (YONHAP)—Iraq's occupation of Kuwait has cost South Korea 383 million U.S. dollars in lost exports in the first week, 15 million dollars from Iraq, the Trade and Industry Ministry said Friday.

"The loss equals all of scheduled or ongoing production, cargo ready to leave or on the way to the two Arab countries. Thermal power plant facilities, which Hyundai exported to Iraq on deferred payment, are not included," a ministry spokesman said. Iraq owes 11 million dollars on the 133 million dollar deal with Hyundai made in 1985. Payment is due by 1991.

Major losses are four oil tankers worth 342 million dollars ordered from Daewoo and Hyundai by Kuwait and Samsung's 6.65 million dollar shipment of electronic and textile products for Iraq. Korea has decided to join the economic sanctions against Iraq declared by the United Nations' Security Council.

Conflict With North Over Free Travel Continues

North Again Refuses Names List

SK1008091990 Seoul YONHAP in English 0745 GMT 10 Aug 90

[Text] Seoul, Aug. 10 (YONHAP)—North Korea refused again Friday to receive a list of South Koreans wishing to visit the North during the proposed five-day period of free two-way travel through the truce village of Panmunjom next week.

North Korea sent a telephone message that said, "We will consider the South's idea of exchanging lists of visitors if the South abolishes the national security act and allows northern visitors to see Yim Su-kyong and other dissidents who are now in prison for making unauthorized trips to the North." The North also refused to receive the list of some 60,000 visitors on Thursday. The South Korean Government accepted the applications because President No Tae-u had proclaimed a five-day period for grand inter-Korean exchanges, allowing South and North Koreans to visit the other part of Korea.

Seoul Blames North for Snag

SK1008130390 Seoul YONHAP in English 1250 GMT 10 Aug 90

[Text] Seoul, Aug. 10, (YONHAP)—South Korea Friday blamed North Korea for refusing to accept a list of names of South Koreans wishing to visit North Korea during Aug. 13-17, which was set as a period for "grand inter-Korean exchange" by South Korean President No Tae-u.

"The government sent a telephone message to North Korean Premier Yon Hyong-muk informing him of the South's plan to hand over a list of people wanting to visit North Korea. Regretfully, however, North Korea refused to accept it, thus disappointing not only the persons involved but the entire Korean people," Choe Pyong-po, spokesman of the National Unification Board, said.

A total of 61,355 South Koreans have expressed their wishes to travel to North Korea during the five-day trial free cross-border travel period but their dreams went unnoticed as North Korea failed to pick up the list. The July 20 proposal for the inter-Korean exchange of people was aimed at opening a road to reconciliation and unification of the South and the North, Choe said.

He called on North Korea to respond to the South Korea's proposal so that South and North Koreans can visit each other's side during the five-day period.

Meanwhile, the government decided to mail a "consolatory" letter to each of the people who had filed applications for trips to North Korea. The letter, to be signed by the national unification minister, will be so worded as to soothe the applicants' despair and explain the government's unification policy, a government source said.

Further on Disagreement Over Pan-National Rally

North Requests Dissident Talks

SK1008072290 Seoul YONHAP in English 0711 GMT 10 Aug 90

[Text] Seoul, Aug. 10 (YONHAP)—North Korean rally organizers on Friday invited South Korean dissidents to hold working-level talks on academic and cultural events at 3 P.M. Saturday in the Neutral Nations Supervisory Commission conference room in the truce village of Panmunjom.

In a message carried by Pyongyang radio, Yun Ki-pok, chairman of the North Korean preparatory committee for the [pan-national] rally, said he wanted to discuss with members of the South Korean preparatory committee academic conferences and cultural events and a march from Mt. Paektu in the North to Mt. Halla in the South. The rally is scheduled for Aug. 15 at Panmunjom.

On a proposal by the dissidents to move the rally site to Seoul or Pyongyang, Yun said, "It is difficult to change the venue of the rally but participants in the third planning session agreed to hold academic conferences and cultural events in Seoul and Pyongyang."

He said two working-level officials carrying the preparatory committee's "letter of credence" would be in Panmunjom at 3 P.M., and he hoped the southern side would take corresponding steps. Yun's group and the dissident groups Chonminnyon [National Democratic Alliance of Korea] (the national alliance of democratic movements) and Chondaehyop (the National Alliance of [University] Student Representatives) have agreed to hold a "pan-national rally" Aug. 15 to mark the 45th anniversary of Korea's liberation from Japan. The venue was agreed as Panmunjom, but the South Koreans suggested changing it to Seoul or Pyongyang after their government said Panmunjom, being a joint security area, was unsuitable.

Dissidents Continue Rally Plans

SK1008071490 Seoul YONHAP in English 0636 GMT 10 Aug 90

[Text] Seoul, Aug. 10 (YONHAP)—South Korean dissidents said Friday that they were pushing ahead with plans for a rally in the truce village of Panmunjom next week.

The dissidents are one of three groups organizing the rally, along with a North Korean organization and an overseas Korean residents association. They could not participate in a planning session in Pyongyang on Aug. 6 because the South Korean Government blocked their travel to the North Korean capital.

A spokesman said Cho Song-u and two others would go to Pyongyang on Aug. 13 through Panmunjom for working-level talks on the rally, initiated by the umbrella dissident group Chonminnyon [National Democratic Alliance of Korea]. He said the North had given blanket support to an agreement reached at a rally planning session in Seoul and to holding the rally at Panmunjom on Aug. 15 as scheduled.

Invitations have been exchanged to attend cultural and academic festivals in the South Aug. 13-14 and in the North Aug. 16-17, the spokesman said. The northern invitations were delivered by overseas Koreans who took part in the Pyongyang planning session. Meanwhile, the dissidents demanded that the United States open the southern side of Panmunjom for the rally, intended to galvanize the impetus for the unification of the divided country.

"We gravely warn that the United States will face strong opposition from 70 million Koreans if it refuses to open the southern side of Panmunjom and blocks our delegation," said a statement signed by members of the rally organizing committee. The statement said working-level talks on Feb. 28 fell through because of interference by American soldiers belonging to the Korea-U.S. Combined Forces Command.

Japan To Push for North-South UN Entry

SK1008071890 Seoul YONHAP in English 0704 GMT 10 Aug 90

[Text] Seoul, Aug. 10 (YONHAP)—South Korea and Japan agreed Friday to make joint efforts for the simultaneous entry of Seoul and Pyongyang into the United Nations, sources at the Foreign Ministry said.

During the seventh annual Korea-Japan consultations on the United Nations, Mun Tong-sok, director-general for treaties and international organizations at the Korean Foreign Ministry, and Nobutoshi Akao, his Japanese counterpart, agreed it would be best for Seoul and Pyongyang to join the world body together and to remain separate members until Korean reunification.

The sources said the two also decided to closely cooperate to create an atmosphere conducive to simultaneous entry in the U.N. General Assembly next month.

Mun explained that if Pyongyang opposes Seoul's bid for simultaneous entry, Seoul will have to seek a membership alone and asked for Japan's understanding and cooperation, they said. Korea and Japan started annual consultations on U.N.-related subjects in 1984.

DPRK's Joint-Venture Companies Examined

SK0108120090 Seoul CHUNGANG ILBO in Korean 25 Jul 90 p 9

[Article by reporter Yu Yong-ku from the "Today's North Korea" column]

[Text]**How North Korea's Joint-Venture Work Proceeded**

North Korea presented the "Joint-Venture Law" on 8 September 1984. Following this, it presented the "Implementation Rule of the Joint Venture Law" (2 March 1985), the "Joint Venture Tax Law" (7 March) and its implementation rule, and the "Foreigners Income Tax Law" (7 March).

Using as a basis some of China's experiences in opening its economy, North Korea began to pursue joint ventures. A country pursues joint ventures to easily introduce foreign capital and advanced foreign technology and to enter foreign markets by establishing joint-venture companies with foreign corporations. North Korea, in particular, which faces foreign currency shortages, began efforts to establish joint-venture companies as a major means to introduce foreign capital and advanced foreign technology.

When it started joint-venture work, North Korea, at first introduced Japanese capital and technology by vigorously using businessmen who belong to the General Association of Korean Residents in Japan [Chochongnyon].

Following a preparatory and test stage between 1984-1986, North Korea and Chochongnyon began to pursue joint ventures in earnest in 1987. Only four joint-venture companies were established in 1986. However, joint t-venture companies were established in 1987, 34 in 1988, and 34 in 1989.

Various economic joint-venture delegations composed of Chochongnyon businessmen so far have frequently visited North Korea. North Korea's delegations,composed of technicians who work at joint-venture companies, visited Japan from February to April 1987. In October, North Korea's economic joint-venture delegation visited Japan and exchanged views with 300 Chochongnyon businessmen.

When joint-venture work was being carried out in earnest, Chochongnyon's "Joint-Venture Institute," established in April 1987, changed its name to the "Joint-Venture Promotion Committee." It has stepped up its

efforts to provide Chochongnyon businessmen with conveniences and information in carrying out joint-venture projects.

The "Korea [choson] Joint-Venture Bank" (a joint-venture company established by Chochongnyon's Joint-Venture Promotion Committee and the Korea [choson] International Joint-Venture General Company and capitalized at two billion yen) was established in April 1989 to provide joint-venture companies with bank services and Chochongnyon businessmen with conveniences.

Current Status

As of the end of 1989, Chochongnyon businessmen and North Korea signed or have agreed to sign contracts to establish a total of 98 joint-venture companies, of which 42 are now operating.

Among the 73 joint-venture company contracts that have been signed, eight (11 percent) are companies of the primary industries (agricultural, forestry, fishery, and maritime cultivation); 44 (60.2 percent) are companies of the secondary industries (manufacturing, construction, mining, electric, and transportation); and 21 (28.8 percent) are companies of the tertiary industries.

A total of approximately 11.3 billion yen (as of the end of 1989) was invested or will be invested by joint-venture companies, for which contracts have been signed or for which agreements on their establishment have been reached. An average amount of investment is approximately 160 million yen on a contract basis.

Chochongnyon businessmen usually supply equipment, technology, and floating capital, and the North Korean side supplies buildings, land, resources, materials, labor, and energy.

To open joint-venture companies, based upon their research for possible joint-venture projects, foreign companies first search for joint-venture partners (companies or enterprises) in North Korea.

Contracts to be signed include a basic joint-venture contract, a basic legal document on the establishment and operation of a joint-venture company; an equipment and plant supply contract; a technological assistance contract; a resource and material supply contract; and a sale of goods contract.

When contracts are signed, copies are sent to North Korea's External Economic Affairs Committee, and the entire procedure is complete when the joint-venture project is registered with a provincial administrative and economic guidance committee.

Examples

Moranbong Joint Venture Company: This joint-venture company, established by Moranbong Inc. (Tokyo) and North Korea's Unha General Trading Company, is the largest among the operational joint-venture companies. A contract for the first plant was signed in December 1986, and a contract for the second in February 1987. The first plant has been operating in Taedonggamg District, Pyongyang since April 1987, and the second in Tongdaewon District, Pyongyang since September 1988.

The investment totals approximately 2.7 billion yen. The Chochongnyon side invested 51.8 percent, and the North Korean side 48.2 percent. The Chochongnyon side supplied ultramodern garment manufacturing equipment and raw materials (wool and yarn), and the North Korean side supplied plant buildings, labor, and land. This company employs 1,100 workers.

The production goals of this company are 400,000 ready-made suits, 800,000 shirts, and 500,000 jackets.

In 1989, when this company was fully operational, it exported 75,000 men's suits and jackets to Japan. They are sold at around 40,000 yen each at garment stores and department stores in Japan.

This company plans to manufacture 150,000 suits this year.

Moranbong Joint-Venture Company will soon open a spinning and weaving plant (which will cost approximately 10 billion yen). Then, the company will manufacture goods on assembly lines.

Pyongyang Piano Joint-Venture Company: This was jointly established by PACO Ltd., which is run by Chochongnyon businessmen (second-generation), and the Pyongyang General Musical Instrument Manufacturing Company.

A fact-finding group of Chochongnyon businessmen began a feasibility study in North Korea in 1985. Preparations were underway for acquiring wood and labor after that. A contract was signed for this joint-venture company in April 1987.

The Chochongnyon side invested 55.6 percent, and the North Korean side invested 44.4 percent. The plant is located in Mangyongdae District, Pyongyang.

This company is planning to manufacture 5,000 pianos a year. It has been operational since November 1989, and products have been on sale since last April.

It was learned that almost all the Chochongnyon businessmen are second-generation Koreans who graduated from Chochongnyon schools.

International Chemical Joint-Venture Company: This is jointly run by the International Trading Company, a specialized corporation, and Yongaksan General Trading Company.

A contract was signed in September 1988, and $20 million was invested. The Chochongnyon side invested 50.4 percent, and the North Korean side invested 49.6 percent.

This company refines ores mined in North Korea that contain rare elements. This company plans to produce 1,000 tons a year of yttrium, which is used for making fluorescent material.

This plant, which is located in Hamhung, South Hamgyong Province, was completed in April, 1990. Almost all of the goods that are produced by this plant are "for exports." It is analyzed that because of technological transfers, this plant contributes to the development of the metallurgical chemical and electronic automation industries.

Myongjon Joint-Venture Company: This company is run by Nongyong Corporation and the Medical Equipment Complex under the North Korean Ministry of Public Health. A contract for this company was signed in October 1987.

The Chochongnyon side invested 66.3 percent, and the North Korean side invested 33.7 percent. A medical equipment manufacturing plant, which is located in Pyongyang, began to produce medical equipment in February 1989. It plans to manufacture 500 electrocardiograms and one million thermometers a year. In addition, it began to produce sonograph equipment, endoscopes, electroencephalogram equipment, and other equipment.

This company manufactures goods for domestic use, as well as for exports.

Yi Sam-yong Pyongyang Chestnut Institute: This institute is jointly run by Yonghung Corporation (Tokyo), which specializes in trading chestnuts, and a company under Songchon County, North Korea.

The contract was signed in November 1986. The Chochongnyon side invested 21.4 percent, and the North Korean side invested 78.6 percent. This institute is located in Songchon County, South Pyongan Province. It has 1,000 hectares of chestnut fields and employs 200.

This institute has been operational since 1987. It began to export chestnuts in 1990 and plans to export 500 tons of chestnuts this year.

Operational Chochongnyon-North Korean Joint-Venture Companies (as of the end of 1989)

OPERATIONAL SINCE	NAME OF COMPANY	GOODS	SITE
1986	Changgwang J-V Soft	soft drinks	Pyongyang
	Drink Company		
1886	Taedonggang J-V	food, alcoholic	Pyongyang
	Restaurant	drinks	
1986	Yi Yong-sam Chestnut	chestnuts	Songchon County
	Institute		S. Pyongan Province
1986	6 February J-V Co.	processing of	Wonsan
		rice straw	Kangwon Province
1987	Tonghaegwan Ltd.	food, alcohol	Nampo
1987	Pyongyang Golf J-V Co.	golf course	Nampo
1987	Changgwang J-V Co.	restaurants, shops	Pyongyang
1987 Moranbong	J-V Co.	ready-made suits	Pyongyang
1987	Nagwon Songhwa J-V Company	Textile women's suits	Pyongyang
1987	Wolmyongsan J-V Co.	feldspar mining	Pyongyang
1987 Sosan	J-V Co.	honey	Pyongyang
1987	Wonsan Aeguk Yarn Ltd.	yarn	Wonsan, Kangwon Province
1987	Hungdok J-V Co.	tires	Hamhung, South Hamgyong Province
1987	Namsan J-V Co.	electric, electronic appliances	Pyongyang
1987	Nungna J-V Co.	tailors stores	Pyongyang
1987	Nagwon Finance J-V Co.	finance	Pyongyang
1987	Noana Cosmetic Inst.	ginseng cream	Sinuiju, North Pyongan Province
1988	Pyongyang Silk J-V Co.	silk products	Pyongyang
1988	Chilbosan Fisheries J-V Company	fisheries	Chongjin, North Province
1988	Songbong J-V Co.	small transformers	Pyongyang
1988	Manchang J-V Co.	herbs	Pyongyang
1988	Pyongyang Fish Culture J-V Company	raising of eels	Pyongyang
1988	Chongchongang J-V Co.	cotton yarn	Huichon, Chagang Province
1988	Chongyu J-V Co.	television sets, typewriter parts	Pyongyang

OPERATIONAL SINCE	NAME OF COMPANY	GOODS	SITE
1988	Kwangwang Taedong J-V Company	tourism, transportation	Pyongyang
1988	Yugyong J-V Co.	restaurant	Pyongyang
1988	Pyongun J-V Restaurant	restaurant	Pyongyang
1988	Koryo J-V Co.	trade	Pyongyang
1988	Waudo J-V Co.	operation of refrigerator ships	Nampo
1989	Toksan Construction Equipment J-V Co.	repairs of bulldozers, cranes	Pyongyang
1989	Pyongyang Packing Material J-V Co.	corrugated cardboard	Pyongyang
1989	Pyongyang Piano J-V Co.	pianos	Pyongyang
1989	Myongjon J-V Co.	medical equip.	Pyongyang
1989	Kwangpo J-V Co.	processing of duck down	Chongpyong County, S. Hamgyong Prov.
1989	Sinhung J-V Co.	bicycle, electronic appliances	Pyongyang
1989	Korea J-V Bank	bank services	Pyongyang
1989	Chindallae J-V Co.	women's suits	Pyongyang
1989	Manpung J-V Co.	mats and light-industrial goods	Pyongyang
1989	Korea Silver and Copper J-V Co.	commemorative medals	Pyongyang
1989	Toraji J-V Co.	shops	Pyongyang
1989	Taedonggang Car Repair J-V Company	recapping of engines	Pyongyang
1989	International Chemical J-V Company	ore refinement	Hamhung, South Hamgyong Province

Students Visit U.S. Embassy on Solomon Visit

SK1008092090 Seoul TONG-A ILBO in Korean 10 Aug 90 p 14

[Text] Two university students belonging to the Seoul Area Council of University Student Representatives [Sochongnyon], including Yi Chong-hwa, freshman in department of education of history of Seoul National University, visited the U.S. Embassy in Sejong-ro, Chongno-ku, Seoul, at around 1630 on the afternoon of 9 August, and delivered a letter entitled "We oppose the visit to Korea by Solomon, U.S. assistant secretary of state for East Asian and Pacific affairs"

In this letter, Sochongnyon claimed that "Assistant Secretary Solomon's visit to Korea is designed to perpetuate division, including separate entry of North and South into the United Nations and cross-recognition."

Sochongnyon's demands included four points, including opening of the South side's area in Panmunjom for the pan-national rally and an end to the maneuvers for cross-recognition of North and South of Korea and separate entry into the UN.

Government Asks Sweden To Export Technologies

SK1008002990 Seoul THE KOREA HERALD in English 10 Aug 90 p 6

[Text] Korea yesterday asked Sweden to export technology for the manufacture of pulp, paper and auto parts.

In a meeting with Swedish Foreign Trade Minister Anita Gradin, Minister of Trade and Industry Pak Pil-su also asked Sweden to allow Korean electric, communications and chemical companies to import technology. Pak proposed Korean technicians be trained in Sweden.

The Swedish foreign trade minister showed a favorable response to Pak's request. She said Sweden is discussing the issue of training technicians with the Korea Telecommunication Authority. Sweden is also willing to transfer technology to Korea, she said. Korea, she said, should not discriminate against Swedish companies wishing to participate in Korean projects.

She also expressed concern about a move in Korea to regulate luxury imports, saying that Korea has to open its market wider. Pak told her that Korea will keep its promise to liberalize more imports on schedule.

The two trade ministers agreed to cooperate with each other in the current Uruguay Round of multilateral trade negotiations, which is scheduled to be concluded by the end of this year. Gradin, in Seoul for a four-day visit, met with other economic ministers and Kim U-chung, chairman of the Daewoo Business Group.

Increase in Communist Bloc Company Branches

SK0508110090 Seoul CHOSON ILBO in Korean 3 Aug 90 P 6

[All company names are as transliterated from the Korean]

[Text] Foreign businesses from communist bloc countries are opening offices in Seoul. According to a report of the Bank of Korea on 2 August, the Polish Aguropol Company, a trading company, established its Seoul branch office in February 1988 as the first company branch office from the communist bloc. Since then, the

number of Seoul branch offices of businesses from communist bloc countries has been steadily increasing, and as of the end of July this year, the number of companies from communist bloc countries that have branch offices in Seoul reached six.

The moves of foreign companies from communist bloc countries to establish branch offices in Seoul have become more active recently. According to a report, the Soviet Lichenshuin Toroko Company, a patent right and technology dealing company; the Soviet Stakoim Porutu Company, a machine tool dealing company; the Soviet Sopeaksu Porutu Company, a trade company; the Trenzekta Company, a Czechoslovak trading company; the Manop business Company, a Chinese trading company; and the Chung Tai Company, a Chinese trading company; are conducting negotiations with our government to establish branch offices in Seoul.

President Lists Top Problems, Demands Results

SK1008065790 Seoul YONHAP in English 0601 GMT 10 Aug 90

[Text] Seoul, Aug. 10 (YONHAP)—President No Tae-u, listing South Korea's urgent problems as energy, inflation, transportation, the environment and opening of the agricultural market, told his cabinet Friday to produce results that "people can see."

No also launched a drive against crime and set up a special police-prosecution task force to lead the fight against hardened criminals and organized crime. Gathering the full cabinet for a mid-year policy briefing, No said Iraq's annexation of Kuwait will affect the Korean economy and the government must encourage energy conservation. Also present were board of audit and inspection head Kim Yong-chon, and Agency for National Security Planning Chief So Tong-kwon.

To keep inflation in the single-digit range, No ordered the cabinet to work closely together on a unified economic policy, the money supply and real estate. There must be an atmosphere in which people never even "think" of engaging in real estate speculation, the president said.

He ordered a restudy of planned highway, road and subway construction at the governmental rather than ministerial level and a change in inter-ministerial handling of environmental protection. Human resources development is crucial to continued economic growth, No said, and restructuring the educational and training systems for nurturing the needed workforce is urgent.

Gasoline Consumption Shows Trend of Extravagance

SK1008020390 Seoul YONHAP in English 0152 GMT 10 Aug 90

[Text] Seoul, Aug. 10 (YONAHP)—The South Korean Government is struggling hard against a growing trend of extravagance and it is losing, at least as far as cars are concerned, the Office of National Tax Administration (ONTA) said Friday.

Gasoline consumption, one sign of excessive spending, is rising as new cars pour onto Korea's roads, particularly medium- and large-sized cars, ONTA said. In the first half of the year, 1,657,874 kiloliters of gasoline left Korea's refineries, up 26 percent from the same period last year. More than 95 percent of the gasoline sold in Korea is consumed by automobiles, and 251,853 cars were delivered to dealers in January-June, up 29.7 percent. Revenues from special consumption tax, levied on new cars, soared 48.1 percent from 126.7 billion won to 187.7 billion won (268 million U.S. dollars).

"The sharp rise in special consumption tax revenues reflects the increase in medium- and large-sized cars," an ONTA official said.

Burma

'Disturbances' Reported in Three More Cities

BK0908142290 Rangoon Domestic Service in Burmese 1330 GMT 9 Aug 90

[Text] Due to the instigation by some youths who wanted to create disturbances, some noisy disturbances were reported in Pakkoku, Monywa, and Meiktila [in Central Burma] yesterday. However, due to preventive action by responsible officials, crowds were dispersed without any casualties, it was learned.

At about 1330 yesterday, about 15 youths who wanted to create disturbances gathered in front of No. 1 State High School in Pakkoku. They later proceeded to the No. 13 State Middle School at the other end of the street, climbed over the school fencing, and called on the students there. As the students there did not follow them, the youths left the place shouting slogans. The youths then headed for Kyaungywa No. 2 State Middle School where they also chanted slogans. As no students joined them, the youths broke the school's flag pole and left the place chanting slogans. They later dispersed. Authorities concerned were reported to have filed a case with the Township People's Police Force to take action against the youths because they had forcefully entered the schools.

Similarly at about 1000 yesterday, about 50 youths and monks gathered in front of No. 3 State High School in Monywa and shouted slogans. At 1300, taking advantage of the time when the No. 3 State High School closed for the day, several disturbance makers chanted instigating slogans, and the crowd increased to about 300. The crowd entered the inner city limits via the Dawna gardens and chanted slogans marching along south Monywa until the Circuit Road. Security personnel requested the crowd to disperse but the request was refused and the security personnel were pelted with rocks. The crowd dispersed only after gunshots were fired.

Similarly in Meiktila, taking advantage of the time when the No. 1 State High School closed at 1100, several youths chanted slogans to incite trouble. The crowd grew to about 300 and headed for the inner city limits. The crowd dispersed on arrival at the intersection of Mardin Pale ward after preventive action by the security personnel.

At about 2000 the same night, about 25 youths, who were wearing masks, chanted slogans near the Zwe movie theater. Later, the group entered Dihattan ward chanting slogans. When it headed for the main road again, security personnel arrived, and the youths fled.

Investigations are being conducted to expose the people who were trying to provoke disturbances, it was learned.

Khin Nyunt on Need for Strong Constitution

BK0508105390 Rangoon Domestic Service in Burmese 1330 GMT 4 Aug 90

[Excerpts] Major General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council [SLORC], accompanied by Rear Admiral Than Nyunt, Navy chief of staff; Brigadier General Thein Win, Air Force chief of staff; Brig. Gen. Tin Hla, commander of the No. 22 Light Infantry Division; Colonel Myint Lwin, Provost Marshal; Police Brig. Gen. San Thein, deputy director general of Police; Mayor U Ko lay chairman of Yangon [Rangoon] City Development Committee; responsible personnel from the office of the SLORC; directors general and managing directors from departments, boards and corporations, left Yangon by military helicopters this morning at 0915 and arrived at Pa-an in the Karen State at 1020. [passage omitted]

The secretary-1, in his opening speech, explained that the purpose of the visit to Pa-an, Karen State, by him and departmental heads were because of floods caused by river high tides in the Pa-an and Hlaingbwe Regions and to render necessary assistance on the part of the state. He also mentioned that departments concerned had been doing their utmost on preventive matters and stated that departmental heads in coordination with local people will carry out preventive and relief works. While meeting with responsible personnel from departments concerned, he said he would like to explain today's political situation in the country. [passage omitted]

Khin Nyunt next said that the SLORC will not change the original programs that it had laid down. Power transfer will depend mainly on the drawing of a strong constitution. The emergence of a strong government that is formed according to the constitution must then be worked out. Nowadays, political parties should be doing the necessary preparatory work. The SLORC, holding high its three main causes, wil give every assistance for the emergence of a strong government. The participation of the whole population is needed in writing a strong constitution for the emergence of a strong government. [passage omitted]

The SLORC is a military government. Although the SLORC is ruling the country with Martial Law, it is doing things according to law. With regards to meeting with elected assembly representatives and leaders of political parties, the SLORC had already informed respective political parties on 11 July. We are not stalling to remain in power. Elected assembly candidates should settle their matters with the Elections Commission first. The SLORC is performing its activities according to its planned programs step by step. Some parties are making demands and confrontations. Since the work has already been planned, the SLORC will not accept any demands or confrontations.

Continuing, he explained that insurgency came together with Myanmar's [Burma's] independence. There are Karen National Union [KNU] insurgents in the Karen State. Now, because of the hand in hand cooperation between the Armed Forces and the people, the KNU insurgents remain only in some camps along the Thai border. The country is suffering great losses because the insurgents at the border are smuggling cattle, timber, and precious stones. [passage omitted] To eradicate KNU

insurgency in the Karen State, public servants at different levels must coordinate and cooperate with the Armed Forces. Regional development programs can be performed full swing only if insurgency is eradicated. The SLORC is implementing the market economy system regarding the state's economy. [passage omitted]

In his closing speech, Khin Nyunt explained that in the implementation of regional development programs there is no discrimination between the states and the mainland and that development works were not done because they were requested. We went to the respective states and divisions and saw for ourselves and are doing things that should be done according to priority. [passage omitted]

Complaint Filed Against Candidate From Ingabu

BK0708161990 Rangoon Domestic Service in Burmese 1330 GMT 7 Aug 90

[Text] The Government of the Union of Myanmar [Burma] has issued Announcement No. 22/90 dated 7 August 1990—the second day of the waning moon of Wagaung, Myanmar era 1352. The text of the announcement reads:

Subject—Investigating Elections Complaint

1. Election Tribunal No. 1, which was formed by the Government of the Union of Myanmar in accordance with Article 65-A of the 1989 People's Assembly Elections Law, shall investigate the complaint filed by the following person.

Name of person who filed: U Thein Tun. [candidate for National Unity Party]
Persons against whom the complaint is filed: Dr. Sann Aung [elected independent candidate] and two others.
Name of constituency: Ingabu Constituency-2, Irrawaddy Division.

By the authority vested in me
Signed: Maung Ko, secretary, the Government of the Union of Myanmar

SLORC Members Decide on Irrigation Projects

BK0408110790 Rangoon Domestic Service in Burmese 1330 GMT 3 Aug 90

[Excerpts] The Special Projects Implementation Committee chaired by General Than Shwe, vice chairman of the State Law and Order Restoration Council [SLORC], has held its No. 8/90 coordination meeting at 1300 today in the operations room of the Office of the Commander in Chief of the Army.

The meeting was attended by committee members as follows: Vice Admiral Maung Maung Khin, minister for energy and for mines; Lieutenant General Tin Tun, minister for transport and communications and for social welfare and labor; Lt. Gen. Aung Ye Kyaw, minister for construction and for cooperatives; Lt Gen Sein Aung, minister for industry-1 and for industry-2; Lt. Gen. Chit Swe, minister for livestock breeding and fisheries and for agriculture and forests; and Brigadier General Abel, minister for finance and planning and for trade. It was also attended by Major General Khin Nyunt, secretary of the Special Projects Implementation Committee and SLORC secretary-1; Maj. Gen. Tin U, joint secretary of the committee an SLORC secretary-2; as well as responsible officials of the SLORC and heads of departments under the Ministry of Agriculture and Forests and officials concerned.

In his opening address at the meeting, Gen. Than Shwe said the meeting was convened to discuss which of the major irrigation projects should be implemented in the future. He said in particular, there are programs on agriculture to be carried out. He explained that as the country's economy has been based on agriculture for many years, the major irrigation projects which had been drawn up should be implemented and expanded as much as possible. Therefore, he said, work should begin on irrigation projects that should be implemented.

He added, for instance, we have carried out some work and survey on major irrigation projects such as the Mu Valley Development Project, the Sittang Valley Development Project, the Mon-Mahn-Salin Region Project, and the Yin Valley Development Project. He said we should begin work on a major project in the upper region of the country—the Mu Valley Development Project—which had been in the planning stage for many years. This is the major project which would contribute to the country's economy through agriculture, and it involves a considerable amount of funding. [passage omitted]

These projects will take many years and will involve vast amounts of funding. These projects will take a minimum of 10 years even if they are implemented with concerted efforts. [passage omitted] He said we believed that we should initiate work as much as possible on other irrigation projects as well, such as the Sittang Valley Development Project, the Mon-Mahn-Salin Region Development Project, and the Yin Valley Development Project. Once these projects are implemented, we will not be anxious about having sufficient crops for our country, and we will not face the prospect of having to import crops. He then invited those attending the meeting to coordinate and discuss work on implementing these projects. [passage omitted]

In his closing address, Gen. Than Shwe noted that the meeting has decided to begin work on the Mu Valley Project and to work on other projects on a priority basis, such as the Ye Nwe Reservoir Integrated Project. He advocated urgent implementation of these projects. He said there should be no problems as local funds would be used in the initial stages of the project and that if foreign exchange is needed, the expenses would be met. There would be no problem for foreign exchange in the later stages of the projects as the country's economy would be developed by then. He then called on those present to work zealously and bravely for the country and said the time has come for such work. He called for austerity in

implementing the projects. He also called for working with sincerity and goodwill toward the state and with patriotic spirit in implementing the project on time.

The coordination meeting ended at 1515.

Crop Substitution Discussed To Reduce Opium

BK2907103790 Bangkok BANGKOK POST in English 29 Jul 90 p 1

[By Subin Khunkaeo in Chiang Mai]

[Text] Thailand, the United Nations and Rangoon have discussed a plan to launch a crop substitution project to reduce opium cultivation in the Burmese Shan State.

A highly-reliable anti-narcotics source said Rangoon has already chosen three Shan State villages in Tachilek of Shantung Province, opposite Mae Sai District of Chiang Rai, as the venue for the pilot project. The project is part of a joint effort to develop the Thai-Burmese border to end the narcotics problem.

Officials from the Office of the Narcotics Control Board (ONCB), the United Nations Fund for Drug Abuse Control (UNFDAC) and Burmese military and forestry officials are scheduled to meet in Rangoon between September 24 and 27 to discuss details of the project. The officials have already met once in Vienna in February to discuss the issue.

The UNFDAC has agreed to provide financial help through Thailand and Rangoon in introducing crops to substitute for opium. The fund, which will be channelled through Bangkok, will be for the cost of sending ONCB experts to help train Burmese officials in cultivation of substitution crops. Thai experts will help their Burmese counterparts introduce new agricultural methods and help research to find suitable crops for Burma. The UNFDAC help is expected to cover five years in the initial stage, but size of the financial help is yet to be settled, the source said. Burmese authorities will be responsible for guaranteeing security and safety for Thai officials working on the project in Burma.

Opium warlord Khun Sa, whose armed rebel forces control the border area in the Burmese Shan State, while expressing scepticism about the project, said he is ready to cooperate with officials from any country in reducing opium cultivation. "But I have never heard about such a project before and I don't think it will materialise if there is one," he said in an interview with the BANGKOK POST at his Shan State camp.

He has proposed his own package to solve opium cultivation in the Shan State to leaders of several countries, including President George Bush of the United States and Prime Minister Chatchai Chunhawan, but no one has shown interest, he said. "I don't want my people to continue making a living this way, but we can't help it. My people are illiterate and they must have something to eat," Khun Sa said.

He said he would be ready to cooperate with any country to help change his people's way of life. "Any official wanting to come to the Shan State to help solve the opium problem will be welcome. We will guarantee their safety," Khun Sa said.

Brunei, Malaysia & Singapore

Malaysia

'Big Gamble' by U.S. in Middle East Viewed

BK1008104290 Kuala Lumpur International Service in English 0800 GMT 10 Aug 90

[Station commentary]

[Text] The Gulf crisis continues to escalate following Iraq's announcement of Kuwait as part of its own territory. The UN Security Council yesterday unanimously declared that Iraq's latest action was null and void. This was the first time that the 15-member council had acted with complete unanimity since Iraq's invasion of Kuwait eight days ago.

The matter of concern right now is the danger of a major conflict breaking up following the United States' deployment of its forces and aircraft to Saudi Arabia to protect the kingdom against any possible attack by Iraq. The current U.S. troop deployment is estimated at 4,000, but officials said that it may swell to 50,000 over the next 30 days.

The U.S. decision was taken in a cause to an urgent appeal by King Fahd for foreign help to defend his country should Iraq next train its guns and tanks in that direction. It is estimated that Iraq has amassed 100,000 of its troops at its border with Saudi Arabia. President Saddam Husayn, however, has reiterated that Iraq has no intention of invading Saudi Arabia.

President George Bush has spearheaded international efforts to drive the Iraqi troops from Kuwait and keep them out of Saudi Arabia. So far, only Britain has joined the U.S. military effort to counter Iraq. The Soviet Union has said that it will consider military action only if such action is authorized by the UN. It feels that only a collective response under the UN control would bear fruit.

Mr. Bush's action has been met with mixed reaction from various quarters. While some feel that the U.S. decision is necessary and justified in the light of Saudi Arabia's security consideration, others are of the opinion that the presence of U.S. troops in the region represents a significant and dangerous escalation of the Gulf crisis.

The UN secretary general, Mr. de Cuellar, has been quoted as saying that the sending of U.S. soldiers to Saudi Arabia was a decision of those two countries. Any military action involving the UN would have to be made by the Security Council.

Malaysia's Prime Minister Dr. Mahathir Mohamed, commenting on the U.S. deployment of troops to Saudi Arabia, said that Malaysia would be happier if action taken by any country was based on a decision made by the UN.

President Bush has taken a big gamble in sending his troops to a possible confrontation with Saddam Husayn's Iraqi forces. Other U.S. presidents have painfully learned that the Middle East can prove immense danger for the U.S. servicemen. As Mr. Bush himself stated, turning up for our principles will not come easy; it may take time and cost a great deal. However great the U.S. military strength may be, it is not easy to deal with Iraq's million-men force—the fourth largest army in the world. It has been hardened by eight years of war with Iran. The Iraqis are armed with more than 5,600 tanks, over 500 combat aircraft, and an arsenal of outlawed chemical weapons. Mr. Saddam has been known to willingly use these weapons not only against his enemies but also against his own countrymen. Then there is the added factor of the severe desert temperature which U.S. troops will not easily get accustomed to.

Despite the hazards and the dangers proved, Mr. Bush's hand was forced to American dependence on foreign oil. Saudi Arabia is the largest single oil supplier to the U.S. Iraqi control of the kingdom would give Mr. Saddam the power to control oil prices and supply. This could pose a major economic threat to the U.S., which has already been edging toward recession.

Whatever the course implies of the decision, it is to be hoped that the better judgment will prevail in any action taken and that all efforts would be made to avoid a bitter conflict. The whole world is watching with concern at the increasing tempo of developments. It is everyone's hope that the parties concerned will work towards defusing the tension in bringing the present crisis to an end.

Minister Says No Decision Yet on Iraq Embargo

BK1008083190 Kuala Lumpur International Service in English 0600 GMT 10 Aug 90

[Text] Malaysia has not made any decision regarding a trade embargo against Iraq and Kuwait. The Minister of Trade and Industry Datuk Sri Rafidah Aziz said the government is still in the process of evaluating the matter. However, she gave an assurance that the government will respect all resolutions of the UN regarding the matter.

She told newsmen in Kuala Lumpur that Malaysian businessmen who have feelings for the two countries should monitor the situation daily.

Earlier, she witnessed an announcement of the establishment of a joint venture company between Mazda, Ford and Sanyo, the manufacturer of audio system and its components. The total investment in the company is 200 million ringgit and will provide employment to 2,000 people. Production is expected to start in 1992.

Opening a factory in Shah Alam, Selangor this morning, the minister said the government will encourage the development of the electro-plating and the heat-treatment industry. The heat-treatment industry will be gazetted as a protected activity and accorded incentives like pioneer status and investment tax allowance. Datuk Sri Rafidah said Malaysia already has local enterpreneurs who had experience in these two industries. She added that Malaysia had reached a stage of industrial development where there is an increase in demand for a range of supporting industries.

Malaysia is extremely disappointed and alarmed by Iraq's annexation of Kuwait in the face of action taken by the United Nations. The permanent representative to the UN, Datuk Razali Ismail, said the move by Iraq raised very grave questions for the steps ahead. He told the Security Council that no principle was more important and hallowed than the right of all nations to their sovereignty, national independence and territorial integrity.

Noting that the atmosphere at the moment was dangerously charged with ominous possibilities, he appealed for support for the Arab summit in Cairo to bring the situation away from the precipice. Datuk Razali added the reaffirming of the central role of the United Nations and the issuing of unilateral action were considered towards that direction.

In a third resolution on Iraq yesterday, the Security Council declared Iraq's annexation of Kuwait null and void. The vote was 15 to 9.

Minister on Efforts To Reduce Unemployment Rate

BK2707091290 Kuala Lumpur International Service in English 0600 GMT 27 Jul 90

[Text] The World Bank's estimate of Malaysia's unemployment rate is 4.3 percent lower than the government's estimate of 7.6 percent for last year. The bank estimated the country's unemployment rate as 3.3 percent.

Finance Minister Datuk Paduka Daim Zainuddin said various efforts would continue to be made to reduce the unemployment rate as reflected by the 74,237 jobs created during the first five months of this year alone.

Speaking at a gathering in Sungai Petani in the northern state of Kedah, Datuk Paduka Daim said the government will consider the suggestion that a special quota be allocated to the Indian community to enable them to own shares listed in the Kuala Lumpur Stock Exchange. This will easily provide greater opportunity for the community to own shares.

Barisan Nasional Candidate Retains Kijal Seat

BK0108152190 Kuala Lumpur Domestic Service in Malay 1430 GMT 1 Aug 90

[Text] Barisan Nasional [National Front] retained the Terengganu state legislative council's Kijal constituency seat when its candidate, Mr. Ahmad Said, won the

by-election by a majority of 1,689 votes. He polled 3,658 votes while his opponent, a Spirit of 46 Party candidate, Mr. Ahmad Sabri Chik, polled 1,968 votes.

The official result of the by-election was announced by the Election Returns Officer, Haji [name indistinct], at 9:25 pm at the polling counting center in the Kemaman District Operations Room. Some 5,627 voters, or 79.2 percent of the total of 7,096 voters in the constituency, voted today. The number of spoiled ballots was 86.

The by-election was held following the death of the constituency's representative, Haji Mohamed Wawasmin, on 6 June.

In the 1986 general elections, Barisan Nasional defeated the PAS [Pan Malaysian Islamic Party] with a majority of 1,549 votes. Haji Mohamed polled 2,965 votes while his PAS opponent, Haji Yusof Tahir, polled 1,456 votes. Some 4,644 voters, or 74.4 percent of the total 6,237 voters, cast their votes.

Cambodia

Hun Sen Sees 'Possibility' of Talks With U.S.

BK1008025090 Hong Kong AFP in English 0222 GMT 10 Aug 90

[By Leo Dobbs]

[Text] Phnom Penh, Aug 10 (AFP)—Phnom Penh Prime Minister Hun Sen has said he believed the United States was likely to hold direct talks with his government on efforts to end the civil war in Cambodia. There was a "strong possibility" that the talks would take place and the "key is in the hands of the United States," he told a news conference on Thursday [9 August].

The United States announced July 18 that it would no longer recognise the seat in the United Nations held by the three party resistance and on Monday held unprecedented talks with Vietnam in New York. "Because of wishes expressed by public opinion, especially in the Hou of Representatives ... there is a strong possibility the United States may be able to talk directly with the Phnom Penh government," Mr. Hun Sen said. He said the Vietnam-U.S. talks could only address international aspects of the Cambodian conflict, which since the Vietnamese troop withdrawal of September has pitted the government here against the Marxist Khmer Rouge and two non-communist factions.

Washington does not recognise the Phnom Penh and Hanoi governments and has backed the three-party resistance indirectly in the past. It still supports the non-communist resistance factions.

The U.S. policy shift, welcomed by Mr. Hun Sen as a "positive step" towards solving the Cambodian problem, was aimed at preventing a return to power by the Khmer Rouge, whose 1975-1979 rule left hundreds of thousands of people dead.

Mr. Hun Sen said internal aspects must be the responsibility of the Cambodian Government but that several other issues could be discussed in direct talks between the United States and his administration. The main three were the withdrawal of foreign troops from Cambodia, preventing a return to power of the Khmer Rouge and the Cambodian people's exercising of their right of self-determination.

"I hope we have a strong possibility of reaching understanding on some these issues," the premier said, adding that other issues could be discussed, especially humanitarian concerns such as the problem of U.S. servicemen listed as missing in action from the Vietnam war.

Cambodia handed over six sets of human remains thought to be those of U.S. servicemen to a team of American experts that visited here in late July. It was the first time Cambodia had handed over possible MIA remains since the end of the Vietnam war in 1975.

Mr. Hun Sen said the U.S. change on Cambodia's U.N. seat was a "moral issue" and that "if the United States did not adopt this moral attitude ... (it) would be going against the moral current of the American people."

The White House move has not met with favour in all countries, with Khmer Rouge backers vowing to continue arming the communist faction. The non-communist Association of Southeast Nations (ASEAN) said it was premature and could only benefit the governments here and in Hanoi.

Mr. Hun Sen did not comment on China's position, but said that the six countries of ASEAN—Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand—did not like the shift because the resistance coalition government was "the offspring of the ASEAN countries."

The prime minister also said the United States should go further and cut aid links to the non-communist factions led by Prince Norodom Sihanouk and Son Sann as long as they remained allies of the Khmer Rouge. "The demand of the U.S. Congress to the administration to re-examine assistance to the non-communist resistance has been a very correct one," he said. "I believe the United States should make further steps and be more decisive and courageous in that direction in order to prevent the return of Pol Pot," the former leader of the Khmer Rouge, he said.

In the meantime, Mr. Hun Sen said he would wait and see if there was any chance of holding the first meeting of an interim administration to be called the supreme national council [SNC] before the U.N. General Assembly meets next month.

Under an agreement he forged on a government-to-government basis with Prince Sihanouk in Tokyo in early June, the council was to comprise six members of the Phnom Penh government and six members of the

resistance alliance. It was to meet for the first time before August and a cease-fire was to take immediate effect.

The plan has come unstuck because of its rejection by the Khmer Rouge and a deadlock over the resistance side's composition. Mr. Hun Sen said the only obstacle to a first meeting of the SNC was "the conflict between the other parties."

The premier said the U.N. General Assembly would be faced by two options: acceptance of the convened SNC to take up the Cambodia seat, or deciding whether and how to challenge the seat in the United Nations. "We will not accept a United Nations vote when the Polpotists are still sitting there," he said.

'High-Ranking' Japanese Diplomat Arrives 10 Aug

BK1008123290 Phnom Penh SPK in English 1138 GMT 10 Aug 90

[Text] Phnom Penh SPK August 10—A high-ranking Japanese diplomat, Cambodia expert Yukio Imagawa, arrived here this morning for a fact-finding visit to Cambodia.

During his August 10-18 stay here, Yukio Imagawa is scheduled to discuss with the Cambodian side the recent developments in Cambodia, particularly the U.S. move to withdraw its recognition of the tripartite Coalition Government of Democratic Kampuchea at the United Nations, and ongoing discussions within the U.N. Security Council.

Mr. Imagawa is accompanied by Mr. Reichiro Takahashi, deputy head of the Southeast Asia Division in Japan's Foreign Ministry. Mr. Imagawa is the second senior Japanese official to visit Cambodia after Mr. Masaharu Kohno, head of the Southeast Asia Division in Japan's Foreign Ministry, who made a visit in February this year.

These bilateral contacts come after Japan, which has no diplomatic relations with Cambodia, has decided to assume a high profile in international peace efforts on Cambodia.

More on Chea Sim's Closing Assembly Speech

BK1008060790 Phnom Penh Domestic Service in Cambodian 1300 GMT 9 Aug 90

[Speech by Chea Sim, member of the party Central Committee Political Bureau and chairman of the State of Cambodia's National Assembly, at 9 August closing ceremony of the 19th session of the first National Assembly in Phnom Penh—recorded]

[Text] With great pride over the outcome of its active work in the past seven days, our first National Assembly's 19th session closes today. Through this session, we have clearly seen the great essence and significance that cover all aspects of life in national society from the fields of political, economic, social, cultural, military, security, social order, and the consolidation and expansion of the social legitimacy through to the field of foreign affairs.

All the issues that we discussed involved nearly every aspect focussed on a common view, that is to enhance the people's confidence in our new regime; promote economic development by enabling our entire national economy to proceed in a clean atmosphere with stable national budgets and finance; enhance attention on improving education, culture, public health, communications, trade, and industry; and focus particular attention on social affairs, such as ensuring the improvement of rationing and policy to assist families of frontline combatants, families of fallen and disabled combatants, orphans, and the retired persons. Briefly speaking, our National Assembly examined and discussed all problems related to all aspects of life in our national society and proposed concrete measures for improvement in line with the new phase of development in our national society and with the current desire of our masses and people.

Our National Assembly's 19th session appeals to all the masses and people throughout the country to always enhance their spirit of patriotism; be vigilant against the sabotage and espionage schemes of the enemies of all stripes who want to combine military offensives with an attempt to undermine our great national union; enhance their understanding of our state's common difficulty in this stage in which fighting and negotiation are carried out simultaneously; sharpen your combat will and determination to join in all forms of attack against the enemies; increase the industriousness in carrying out production drive; be willing to serve the state's work; and strive to turn the link between the rear and the front into a concretely enthusiastic movement which is inexhaustible.

It is true that there are some complex difficulties on the road that we have been been walking on. But it is a correct road that can (?avoid) the great misery, suffering, and destruction caused by the return to Cambodia of the genocidal Pol Pot regime.

In the current circumstances, it is correct to hope for peace for our motherland in the future. However, our masses, people, and combatants cannot be careless. We must not reduce our vigilance or forget to enhance our combat will and stance. The firm and resolute will to fight valiantly, work industriously, and unite harmoniously around the Kampuchean People's Revolutionary Party is the most effective measure for achieving our sacred goals, peace, independence, freedom, and happiness. Particularly, the closer we move toward peace, it is imperative for us to enhance our efforts, dozens of times more than before, in order to gain all kinds of potentials for ensuring [words indistinct] national society, honor, dignity, rights and freedoms, religious beliefs, and our state's legitimate interests throughout the country. Peace cannot be achieved without making our own arduous struggle for it.

Dear comrades and friends: The search for a political solution to the Cambodian problem is a very important matter of special concern for our National Assembly's 19th session. Our National Assembly noted with satisfaction the great efforts patiently made by our State of Cambodia's government which has strived and overcome difficulties, particularly the sabotage maneuvers of the Pol Pot clique and its allies at all negotiating forums. These efforts have achieved successes and brought about some initial agreements, opening up concrete prospects toward achieving a genuinely overall political solution to the Cambodian problem.

Scrutinizing the 5 June 1990 Tokyo communique, the State of Cambodia's National Assembly holds that the current situation has become greatly favorable for us to eliminate the obstinacy of the genocidal Polpotists who invariably seek to seize the power through military means. More than ever, the recourse to the international community's global pressure on the genocidal Pol Pot clique and its sponsors is really very valuable to the search for peace for the Cambodian people. The end to the chronic war in Cambodia must be brought about on the basis of enhancing the vital interests of the Cambodian people. The new fascists in Southeast Asia such as these genocidal Polpotists are not the ones to decide the destiny of the Cambodian people. Only the general elections would offer the most legal procedure for the way to represent the Cambodian people's will.

The State of Cambodia expresses satisfaction at the outcome of the first round of the Vietnamese-U.S. negotiations which not only gives the two parties an opportunity to inform each other of their respective positions but also actively contributes to the search for a political solution to the Cambodian problem. This is because the two sides—Vietnam and the United States—have almost identical views on the opposition to the genocidal Pol Pot regime's return to power.

The State of Cambodia hopes that this active posture of Vietnam and the United States against the return of the genocidal Pol Pot regime will generate a broad international movement to defend the vital interests of the Cambodian people, enabling them to fully enjoy their right to self-determination as well as their rights to settle their own affairs themselves, to live free from the threat of a genocidal regime and from any foreign interference, and to fully exercise their independence, neutrality, nonalignment, and friendship with all countries.

The comprehensive political solution to the Cambodian problem must lead to a free and democratic election under international supervision and it must begin with a cease-fire on the spot. Since this is the case, the National Assembly of the State of Cambodia calls on all countries concerned to take concrete measures to cease all military aid to all warring Cambodian parties, eliminate sanctuaries, stop all transit shipments of arms and war materiel, move away Cambodian refugees, settle them in an area far from the armed forces of the tripartite coalition, and organize a regular and orderly voluntary repatriation. These are effective and very sensible measures in order to shorten the time for the search for a political solution, put an end to foreign interference in Cambodia's internal affairs, and give the two currently contentious Cambodian governments a chance to observe the cease-fire through the first session of the supreme national council [SNC]. This council will guide the implementation of agreements already signed and will organize, among other things, the elections. Then the United Nations will play a role which consists of controlling the implementation of agreements already signed between the Cambodian parties and the process of the general elections.

In line with the progress of the search for a political solution to the Cambodian problem, the National Assembly of the State of Cambodia holds that it is time for the United Nations to adopt an appropriately neutral attitude in the solution of the Cambodian problem. This could be done by expelling the genocidal Pol Pot clique from the United Nations and leaving the seat of Cambodia vacant until a permanent political solution of the Cambodian problem is found—that is through a free election under international control—or at least by handing this seat over to the SNC. This is under the sole condition that this SNC be formed according to the Tokyo joint communique.

It is this free election under international control that will decide the fate of the two governments. Only a National Assembly stemming from this free election will be entitled to form Cambodia's next government. This is the most constructive and most reasonable stance in the political solution of the Cambodian problem, and the Cambodian people's right to self-determination will thereby be fully exercised. In this context, the two currently contentious Cambodian governments will continue to exist until the advent of the new government.

The maintenance of the political and military status quo in the transitional period is very important and indispensable to the life and interests of the Cambodian people and to the continuity of the daily socioeconomic life of the Cambodian people throughout the country.

From these points of view, the National Assembly of the State of Cambodia calls on the other side to adopt a constructive and reasonable attitude so that jointly we can successfully implement the Tokyo joint communique in order to restore peace to our motherland and begin to rebuild a prosperous nation together.

Dear comrades and friends: The brilliant outcome of the National Assembly's 19th session significantly contributes to the new historic phase in which our state, people, and Armed Forces are making immense efforts in order to implement and achieve their tasks for national construction and defense, particularly in this rainy season. This [words indistinct] implementation throughout the country constitute not only the particular tasks of the government and the state institutions at all levels, but require the participation of our masses and people. For

this reason, the National Assembly's Standing Committee makes this request to all our assembly members. Upon returning to their respective localities, all of you should strive to broadly publicize the essence of this assembly session among the people. This should be done in order to enhance their spirit of patriotism, consolidate our national unity, strengthen and enhance the sense of respect for and implementation of the state laws, and stimulate the zeal to fight and readiness to struggle to increase production in this rainy season in order to serve the battlefield and improve our livelihood even more.

Permeated with great satisfaction and lofty pride over the brilliant outcome of the session, on behalf of the National Assembly's Standing Committee, I would like to extend best wishes to all our assembly members for good health, wisdom, and successes in all tasks assigned by the state and people. [applause]

[Words indistinct] profound thanks for the presence of all Buddhist monks and all national and international guests. I now declare the first National Assembly's 19th session closed. [applause].

PRACHEACHON Discusses Assembly Session

BK1008091790 Phnom Penh Domestic Service in Cambodian 2300 GMT 9 Aug 90

[PRACHEACHON editorial: "Pledging To Successfully and Concretely Implement the Resolutions of the First National Assembly's 19th Session"]

[Text] The first National Assembly's 19th plenary session which began on 3 August was successfully concluded on the morning of 9 August with most profound pride.

At this 19th session, National Assembly members deployed all their physical and intellectual efforts with a lofty spirit of responsibility. They made efforts to carry out their tasks actively, vigorously, and resolutely. They showed themselves worthy of being genuine representatives of the people and fully responsible for the destiny of the country, nation, and people. Apart from listening attentively to various reports, the Assembly took part in energetically and vigorously debating issues in a genuine democratic atmosphere. Deputies contributed to summing up and evaluating the general situation in every field, particularly in the state, social, and economic administration. It is obvious that in the process to develop the economy in a situation in which our society and the nation start from zero, with no material and technical basis and faced with an ongoing destructive war, we cannot avoid obstacles and complexities. A number of negative phenomena have necessarily cropped up in society and the nation.

Based on this objective view, the National Assembly meticulously debated and examined all angles of social issues. The problems were raised along with ideas to discuss and find ways to solve them aimed at contributing to pointing out the direction for the implementation of the liberalization of economic policy of the party and state to expand the influence of the wartime economy. Through the debate and discussion, the Assembly unanimously agreed that all the past problems of our society and nation were all temporary in their nature, and this does not mean that our party and state policy is at fault. The National Assembly also praised the efforts of the government for striving to nurture a good prospect and sincerely making efforts to struggle to eliminate negative phenomena which are taking place in our society and nation and affecting national interests. It also expressed a firm belief in the astuteness of the government and the combined force of our state in the struggle to overcome the current difficulties and complexities. The National Assembly also approved the appointments of members of the Council of Ministers and the Council of State. It approved the appointment of the chairman of the National Assembly's Legislative Commission to ensure the effectiveness of these institutions.

The National Assembly welcomed the results of the preliminary round of talks between Vietnam and the United States. These talks not only provided an opportunity for the two sides to show their respective positions but also actively contributed to the search for a political solution to the Cambodian problem on the basis that the two sides, Vietnam and the United States, share similar views on the goal of preventing the return to power of the genocidal Pol Pot regime.

The brilliant results of the National Assembly's 19th session have greatly contributed to the new historical phase in which our state, people, and Armed Forces are making great efforts to implement the tasks to build and defend the country. Along with a vigorous acclaim for the success of this National Assembly's session, all of us should realize that the present time is the most important one in history. All of us, whether in the National Assembly, the government, state establishments, or citizens, should bear the common responsibility for the future destiny of our motherland.

Therefore, all services, levels, state establishments, and citizens should pay vigorous attention to transforming the good results of this session into concrete implementation throughout the country to score success in every task. In the immediate future, we should overcome the phenomenon of lawlessness and the whimsical use of legal loopholes. We should timely overcome all negative phenomena in the economic sector in order to pave the way for expanding potentials and efficiency to successfully achieve the 1990 goals.

Delegations Visit Combatants on Invalids Day

BK0508061090 Phnom Penh SPK in English 0412 GMT 5 Aug 90

[Text] Phnom Penh SPK August 5—On the occasion of the 43d and 8th days of Vietnamese and Cambodian war invalids and fallen combatants (respectively July 27 and 31), a delegation of the Cambodian party, state and front headed by Bou Thang, Politburo member of the People's Revolutionary Party of Kampuchea Central Committee,

vice-premier, vice chairman of the Front Council and head of the General Political Department of the Cambodian People's Armed Forces, has called on sick and wounded combatants at the "1/80" hospital.

On behalf of the party and government, Vice-Premier Bou Thang expressed profound gratitude to the combatants for their selfless devotion to the national cause and wished them early recovery.

They distributed presents to the sick and wounded combatants.

For the same purpose, a delegation of the Ministry of War Invalids and Social Welfare, led by its deputy minister Di Phin visited the wounded and disabled soldiers at Kien Khleang, Muk Kampul District, Kandal Province, and a Phnom Penh delegation led by He Kan, vice chairman of the Phnom Penh People's Committee, also visited wounded and disabled soldiers at the Army Hospital Jan. 7.

Military Actions in Week Ending 28 Jul Reported

BK0508154390 Phnom Penh Domestic Service in Cambodian 1300 GMT 5 Aug 90

[Text] In the past week, from 22 to 28 July, the three reactionary Cambodian groups continued to fire artillery shells on our people's villages in a number of rural areas along the Cambodia-Thai border. On 26 July, the enemy fired 50 artillery shells on Banan District [Battambang Province]. On 28 July, another 50 shells were fired on the Svay Chek area.

Although the enemy made efforts to gather their remnant troops to grossly attack us, our people's Armed Forces have heightened their responsible spirit and vigilance, carried out mopping up operations, ambushed the enemy, and dealt these bandits successive serious defeats.

In the past week, our people's Armed Forces carried out activities against the enemy, putting out of action 119 enemy soldiers, including 104 killed and two taken prisoner; 13 others surrendered. Our forces also seized 12 assorted weapons, 145 assorted shells, and a large quantity of other war materiel.

Ranariddh Hopes U.S. Talks Make SRV Flexible

BK1008070990 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 10 Aug 90

[Text] His Royal Highness Prince Norodom Ranariddh, secretary general of the National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia, and supreme commander and commander in chief of the National Army of Independent Kampuchea, said yesterday that he would welcome the new U.S. stand toward resolving the Cambodian problem if it could help make Vietnam further soften its position in the search for peace in Cambodia. The prince made this remark in a statement referring to the talks on Cambodia between the United States and Vietnam in New York.

Prince Norodom Ranariddh said he welcomed the new U.S. stance in the quest for a settlement of the Cambodian conflict if it could really make Vietnam more flexible in its position, particularly if Vietnam accepted the latest summary of conclusions issued by the five permanent members of the UN Security Council [UNSC] in Paris on 17 July. The five permanent members of the UNSC—the United States, the Soviet Union, China, France, and Great Britain—on 17 July called for an enhanced UN role in the Cambodian peace settlement and for the establishment of a supreme national council.

The prince added that it would be a setback for all friends, particularly the ASEAN states, if the Vietnamese leadership interpreted the new U.S. initiative as its own victory. He said: The U.S.-Vietnamese talks show the countries worldwide that the Cambodian problem actually remains between Vietnam and Cambodia. This is why the United States needs to hold direct discussions with Vietnam about Cambodian peace.

Prince Norodom Ranariddh further said he assumed that a clause of the UNSC agreement concerning the verification of a Vietnamese troop presence in Cambodia is tantamount to acknowledgement by the Big Five, including the Soviet Union, of the fact that Vietnamese forces are still in Cambodia.

Analysts said this was the first time the Soviet Union, as a permanent member of the UNSC, accepted agreement on a verification of the withdrawal of Vietnamese troops from Cambodia, particularly on confinement and disarming of all the Cambodian parties' armed forces under UN control and supervision, and general and free elections organized by the United Nations in Cambodia.

The Soviet Union's agreement is a deviation from the positions of Vietnam and the Vietnam-installed regime, which painstakingly prevent the United Nations from having an enhanced role in a settlement of the Cambodian problem.

Iraq-Kuwait, SRV-Cambodia Situations Compared

BK1008115090 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 10 Aug 90

[Political commentary: "What Is the Difference Between the Iraqi Invasion of Kuwait and the Vietnamese Aggression Against Cambodia?"]

[Text] On the morning of 2 August, the world was extremely terrified: Iraqi troops backed by tank units invaded and occupied Kuwait, a small state neighboring Iraq in the northernmost Persian Gulf. Following its occupation of Kuwait, Iraq installed a puppet government to control the country, and last Wednesday, Iraq declared the incorporation of Kuwait into its territory.

The Iraqi invasion has prompted the whole world to condemn and put pressure on Iraq so as to save Kuwait, a sovereign state and a full-right member of the United Nations, from Iraq's cruel claw. At present, the Iraqi invaders are put under rigorous economic sanctions. The United States, the Western countries, Japan, and a number of industrialized states have boycotted the purchase of oil from Iraq and have frozen Iraq's overseas assets, while some others have cut off Iraq's oil export pipelines. These measures have been taken by the international community to force Iraq to end its invasion of Kuwait and to restore independence and sovereignty to the country. The international pressure will continue until Kuwait recovers its independence and sovereignty.

What is the difference between the situation in Kuwait and that in Cambodia? Nothing is different.

If differences exist, they are that, first, Vietnam's invasion of Cambodia occurred in late 1978 and that of Iraq against Kuwait happened recently, and second, Vietnam used the Khmer Rouge as pretext and Iraq justified its invasion by the reason that Kuwait had overproduced oil, which, in consequence, brought down the prices. However, excuses employed by Iraq or Vietnam can never disguise their flagrant invasions. The invasions by Vietnam and Iraq are of the same nature. Their actions deserve the same condemnation by the world.

Over the past 10 years, Vietnam has been economically punished and pressed by the world into putting an end to its war of aggression against Cambodia. This has seriously crippled Vietnam's economy. As for the Iraqi economy, it is severely affected by the international economic sanctions at present. The international community has the duty to continue its sanctions against Vietnam and Iraq until they are compelled to end their aggressions, which are in violation of the UN Charter.

For Cambodia, the peace solution, which is acceptable to the Cambodian people and the world, should be formulated with a guarantee of Cambodia's independence and sovereignty. As Australian Foreign Minister Gareth Evans said during his recent visit to Thailand, the recognition of the regime that the Vietnamese aggressors have installed in Cambodia cannot bring an end to the Cambodian conflict. It is only a reward to the aggressors. Referring to the current situation in Kuwait, the Belgian foreign minister said: The crisis in Kuwait cannot just end with the withdrawal of Iraqi troops. The Iraq-installed puppet government should be disbanded to clear the way for the restoration of independence and sovereignty to Kuwait.

VOK on SRV Arrests in Antidissident Campaign

BK0808115890 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 8 Aug 90

[Text] A Vietnamese official source said that Vietnamese authorities have arrested over 30 Vietnamese citizens, including a group of people allegedly trained by the CIA of the United States, in a campaign against dissident groups trying to destabilize the communist regime.

A senior Vietnamese Communist Party official said that a Vietnamese carrying a foreign passport was apprehended last month at Ho Chi Minh City's airport with eight kg of gold which was to be used to finance dissident groups in Vietnam. The official added that the Vietnamese citizen had the gold, a name list, and instructions detailing sabotage against the Vietnamese communist regime, but he declined to say whether the suspect would be formally charged. The official further said that about 30 overseas Vietnamese, some of them armed, were arrested in June in an area of the central region, about 240 km north of Ho Chi Minh City. These people were accused of attempting to launch at least two armed attacks after infiltrating Vietnam via Laos.

Resistance Claims Attack on Route 10 Positions

BK0408021190 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 3 Aug 90

[Text] On 27 July, our national resistance forces attacked five Vietnamese-puppet positions on Route 10 battlefield, that is a battalion position at Ta Kot and four company positions on Pranang and Chak Thea hills. We killed 42 enemy soldiers and wounded 65 others; destroyed 74 assorted weapons—a 122-mm artillery, a 37-mm machine gun, a 12.7-mm machine gun, two 82-mm mortars, and 69 assorted rifles—and two ammunition depots; and seized 21 AK's, six B-40's and B-41's, a 60-mm mortar, two drum-magazine machine guns, a pistol, and some war materiel.

VONADK Reports 12-Vehicle Convoy Ambushed

BK0908014290 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 7 Aug 90

[Text] On 4 July [as heard] 12 trucks of the Vietnamese enemy and puppets left Preah Vihear for Kompong Thom. Between Rumchek and O Pou in Rovieng District [Preah Vihear Province], they were ambushed by our national resistance forces. We destroyed four and damaged two vehicles. Eight enemy soldiers on the trucks were killed and 12 others wounded. We also seized an AK, a B-40, and a quantity of other war materiel.

SRV Reinforcements Said Sent to Kompong Speu

BK0908002490 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 8 Aug 90

[Text] On 30 July, the Hanoi Vietnamese enemy aggressors dispatched from Vietnam 50 truckloads of about 1,500 troops dressed in genuine Vietnamese soldiers' uniforms. These fresh Vietnamese troops were brought to Cambodia along National Route 1, through Svay Rieng provincial town and across the Mekong river at

Neak Luong township. The troops spent a night in Phnom Penh and were then taken along National Route 4 to Kompong Speu provincial town and then along Route 43 to Phnum Sruoch District [Kompong Speu Province].

Preparations for Attack on Siem Reap Noted

BK1008024990 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 9 Aug 90

[Text] Between 1 and 3 August, some 352 people, youths, and fraternal Cambodian soldiers and militiamen joined in transporting food supplies, weapons, and ammunition for the national resistance forces as they prepared to launch another attack to liberate Siem Reap town. These 352 fraternal people, youths, soldiers, and militiamen came from villages and communes in Puok and Kralanh Districts of Siem Reap Province. They jointly transported these food supplies, weapons, and ammunition enthusiastically with a determination to join hands in quickly driving the Vietnamese aggressors and the Vietnamese-lackey traitorous puppet ringleaders out of Cambodia.

Laos

'Current Developments' in Persian Gulf Updated

BK0908145790 Vientiane Domestic Service in Lao 0500 GMT 9 Aug 90

[Undated PASASON article: "U.S. Operations in Light of the Situation in Kuwait"]

[Text] The U.S. State Department has confirmed that 23 Americans and many Westerners seized by the Iraqi forces in Kuwait have been taken to an unknown destination. The White House said that the Iraqi forces stationed along the Saudi border were numerous and dangerous. It also said that the United States stands neither to lose nor to gain in halting the acts of President Saddam Husayn. A White House spokesman told the press on 10 August that the United States is determined to take all possible retaliatory acts—be they diplomatic, economic, political, or military—against Iraq. The UN Security Council has adopted the most severe economic measures in UN history to punish Iraq, by imposing an embargo on all arms deliveries to and imports of oil from Iraq and Iraqi-occupied Kuwait. British Prime Minister Magaret Thatcher, Canadian Prime Minister Brian Mulroney, and the NATO secretary general met with President George Bush at the White House. At first, President Bush warned Iraq to keep its hands off U.S. citizens in Kuwait.

Defense specialists in Washington stressed that two actions would prompt the United States to take military recourse against Iraq: If Iraq sends its forces into Saudi Arabia, and if it harms U.S. citizens under its detention.

With regard to the confirmation that some West German and British nationals were also captured by the Iraqi forces in Kuwait, the British Foreign Affairs Ministry said that more than 330 foreigners were arrested, most of whom were passengers of the British Airways flight stranded at the Kuwait airport when Iraqi forces invaded last week. U.S. State Department Spokeswoman Margaret Tutwiller confirmed that there were some U.S. citizens among the captured group. The captured Westerners, including the Americans, were rounded up from three areas in Kuwait and were taken away in buses.

According to an initial report, there were 23 Americans among the captured foreigners. The spokeswoman reiterated that President Bush made it clear to the Iraqi Government that Iraq will be held responsible for the safety of those foreigners who wanted to leave Kuwait.

In other developments, it was reported that the U.S. charge d'affaires to Iraq met with President Saddam Husayn to discuss the immediate withdrawal of Iraqi forces from Kuwait.

The U.S. State Department said that U.S. Secretary of State James Baker kept in close contact with Soviet Foreign Minister Eduard Shevardnadze. James Baker also planned to meet with the foreign ministers of Egypt, France, Japan, and Oman. The U.S. secretary of state has already met with various Saudi leaders to discuss possible measures to be taken in the Persian Gulf.

THE WASHINGTON POST on 7 August reported that the United States planned to take covert action in Iraq. However, the White House later denied that the report was not true, but it did not elaborate.

These are the current developments in the Persian Gulf. No one knows what will happen next, but everyone wants the situation to be defused as soon as possible.

Phoumi Vongvichit Meets Mekong Committee Agent

BK0908134590 Vientiane KPL in English 0901 GMT 9 Aug 90

[Text] Vientiane, August 9 (KPL)—The acting president of the Lao PDR [People's Democratic Republic], Phoumi Vongvichit, yesterday received here Mr. Charles Lankester, new executive agent of the Interim Mekong Committee in Bangkok, Thailand.

Mr. Charles Lankester, on the occasion, informed the acting president that the Interim Mekong Committee would provide cooperation to Laos and sponsor countries, particularly in technical fields, for data survey and exploitation of water resources.

This is designed to successfully implement projects with which the committee is concerned.

The two personalities also reaffirmed the feasibility of exploiting resources in the lower basin of the Mekong River, one with no bridge and electric power plant built on it among the twelve biggest rivers in the world. [sentence as received]

Sali Vongkhamsao Reports on Financial Work

Installment Seven

BK0808155590 Vientiane Domestic Service in Lao 0030 GMT 31 Jul 90

[Seventh and last installment of part one of "Report on Financial Work During the Past 15 Years and New Direction and Primary Functions of Financial Work," presented by Sali Vongkhamsao, vice chairman of the Council of Ministers and minister of economy, planning, and finance, at the first nationwide financial conference held in Vientiane on 21 June—read by announcer; for sixth installment of part one, see page 43 of the 8 August East Asia DAILY REPORT]

[Text] The first cause is that the separation of the two management roles—the economic administration management and the business management—is not yet clear-cut. This can be seen from the prevailing state of dependency—business enterprises and people being dependent on the state and the lower levels being dependent on the higher levels. All parties involved ask for benefits only without linking them to responsibilities and obligations. Economic administration organizations interfere in and control business work of the grass-roots sectors. Instead of relying on the law of profits and losses, they rely on administrative and bureaucratic resolutions, decrees, and instructions in establishing and dissolving business enterprises.

The second cause is that the division of the management levels within the finance and budget system is ineffective, especially the system of requiring that each locality must be self-sufficient and must balance the budget by itself, an act which will eventually lead to the creation of clanish practices, the division of territory, and the prohibition of goods transportation and circulation so as to keep earnings for its own use.

As a result, certain localities which rely on the primary economy are not able to become self-sufficient and to carry out their own political tasks. They finally have to ask for financing aid from the center. Moreover, the objectives of the budgets are not clear-cut. Attention is not adequately paid to looking after the the state's administrative apparatuses. For example, payment of salaries is sometimes suspended or delayed. Administrative expenditure is cut down for the sake of being economical. Efforts are not intensively made to carry out national defense and public security maintenance work. Expenditure for cultural and social work comprises less than 10 percent of the total expenditure while 48 percent is spent for building the infrastructure without any specific aims. During both the periods of applying the state financing mechanism and of turning to the new mechanism, it was clearly noticed that in organizing the implementation of the budgets, the figures of expenditure already endorsed by the the Supreme People's Assembly were not always maintained. Many services and localities preferred to arbitrarily issue their own instructions on spending the budgets without relying on the budget plans set forth.

Such phenomena clearly reflected a lack of discipline and control in finance work. In the past 14 years, the spending of the budget for each year always surpassed the predetermined figure of the spending for that particular year. As a result, the revenue collected for that year failed to meet the needs of expenditure. Debts kept piling up, and debt payment had to be prolonged.

The third cause is that we have not yet changed our attitude to be compatible with the new mechanism. We have not adopted any regulations to be used as a comprehensive legal basis. The system of analyzing and monitoring information, statistics, and reports is not effectively implemented. The present contingent of our finance cadres remains inexperienced. There were 5,169 finance and tax cadres in 1976 and 7,610 in 1986. But in 1990, the number of cadres has decreased while the number of intermediate and senior cadres comprises even less than 10 percent of all of them. The personnel appointment system lacks technical guidelines. Interference and control by the administration at all levels in the specialized finance work are prevalent. The administration at each level, such as the provincial and districts levels, prefers to arbitrarily issue its own instruction, thereby creating no uniformity in the implementation of various finance regulations. At the same time, we still lack working patterns and our finance discipline remains very weak. We have no mechanism to provide material support to drastically reprimand violators of finance regulations.

All these reflected the true nature of our finance work in the past, which has become an obstacle to the process of renovation in our country at present. Therefore, our objective need at present is to expeditiously switch certain aspects of our finance work to be under the new mechanism.

Installment One, Part Two

BK0908155190 Vientiane Domestic Service in Lao 0030 GMT 31 Jul 90

[First installment of part two of "Report on Financial Work During the Past 15 Years and New Direction and Primary Functions of Financial Work," presented by Sali Vongkhamsao, vice chairman of the Council of Ministers and minister of economy, planning, and finance, at the first nationwide financial conference held in Vientiane on 21 June—read by announcer]

[Text] To ensure that all the shortcomings mentioned in part one will be rectified, that the state-financing and bureaucratic finance mechanism will be totally abolished, and that the new finance mechanism will be installed in accordance with the party's policy as clearly stated in the speech made by our comrade general secretary, in the coming years we must carry out a number of primary directions and functions as follows:

1. We must change our attitude, and replace the financial mechanism of relying on state financing in the work of building and utilizing the various financial resources with the mechanism based on the clear-cut separation of the two financial management roles—the economic administration management and the business management. We must mobilize all financial sources from all economic sectors within and outside the country to become the consolidated strength for serving the tasks of defending and building the country. We must suspend all practices of state financing and must be opposed to the trend of relying on the state and the state's interference in and control of the business production activities of all economic sectors.

2. We must step up the state budgets management work by relying on the reality in our country and on the new thinking. We must implement certain measures aimed at generating and managing revenue for the budgets by means of implementing the tax-fee collection policy. We must strive to acquire foreign assistance, implement state credit forms, utilize the mechanism of controlling expenditure aimed at ensuring the spending for state apparatuses in carrying out their activities in the national defense and public security maintenance work, rectify cultural and social ills, and make appropriate investments for economic development to bear fruits in accordance with the detailed directions and objectives of the party's socioeconomic development in each period.

3. We must install the state budget and finance management mechanisms from the center down to the local levels in accordance with the principle of centralism and unification, abolish the arbitrary balancing of budgets currently practiced by individual localities so as to ensure that the state finance can efficiently fulfill its tasks and responsibilities, and step up the vertical line of guidance and supervision within the finance system.

4. We must consolidate and upgrade the system of organizing financial management into a comprehensive and complete system by carrying out treasury and budget management work as well as inspection and control work, and by tightening finance discipline. At the same time, we must train, upgrade, select, and categorize finance cadres in accordance with their specialized qualifications and responsibilities, and combine this with a reasonable modification of the personnel assignment policy. We must pay special attention to upgrading and training finance cadres at the provincial and district levels.

5. We must adopt comprehensive policies, regulations, and laws for business units of the various economic sectors, especially the state and private enterprises, so as to guarantee the rights to equality and fairness and to convince these units of their obligations toward the state and responsibilities in implementing their legal duties for those economic sectors. This will be done with a view toward ensuring the right to mastership in finance, planning, and business activities for all the economic sectors and promoting the state's macro-management capability.

6. The finance service must coordinate with other services concerned in studying and implementing the overall economic policies so as to create favorable conditions for transforming the state-financing finance mechanism into the new mechanism, which is geared toward pursuing the credit and monetary policy and the income policy, aimed at increasing and distributing income in a fair and effective manner. Coordination must be forged among the various services to implement these consolidated measures in order to ensure stable prices.

Clandestine Radio Reports Battle Results

BK0708070790 (Clandestine) Radio Station of the Government for Liberation of the Lao Nation in Lao 0100 GMT 3 Aug 90

[Station article reviewing "events in the struggle for democracy in Laos from early this year to April 1990"]

[Summary] "On 17 April, our armed forces set out to intercept enemy aircraft which regularly flew to an area near Ban Nam Chong village, Mok District, Xieng Khouang Province. While our armed forces were keeping vigilance from their position, an enemy plane was spotted flying from the direction of Mok District and preparing to land at the village. Our armed forces fired at the aircraft with all available weapons, forcing it to fly back toward the district. Subsequently, our armed forces engaged in a five-minute clash with the red Lao ground forces who were waiting for the aircraft. While suffering no casualties, our armed forces managed to kill three red Lao soldiers on the spot and wound many others."

"On 10 April, our commando unit launched an attack against a red Lao company stationed at Ban Namthon village, Mok District, Xieng Khouang Province. After firing at the enemy position with all kinds of firearms for five minutes, we withdrew from the area. Three red Lao soldiers were reportedly killed and many others wounded."

At 1700 on 3 April, the red Lao forces sent (?two) fighter planes to fire eleven rockets at and some infantry troops to destroy the people's homes in Mok District, Xieng Khouang Province, setting ablaze and damaging many houses, including the people's property and crops. At present, the situation in the area remains very tense; armed clashes frequently occur there.

From 0900 to 0927 on 4 April, our resistance forces mounted an attack and fired all kinds of weapons on a red Lao position in Kham District, Xieng Khouang Province. We killed six red Lao soldiers and wounded (?three) others.

"After a series of bomb explosions in many places, such as at the (Paksan) bridge on 18 March, the morning market in Vientiane on 5 April, and the (?Boua) Savan Theater in Vientiane on 7 April, the ruling Vientiane clique stepped up security measures around many important locations. It also took to task the police forces

for neglecting to take precautionary security measures to protect those places, thus enabling the opposite side to plant the bombs."

During the month of April, the people's situation under the rule of the traitorous and odious Kaysone clique was very chaotic. Most of the red Lao soldiers who were forced to fight against the people's armed forces in (?many) regions were not satisfied with their living conditions which were plagued with shortages and hunger. They did not even receive their already meager salaries for almost a year, thus imposing severe hardship and shortages on their families back home. That development prompted them to show dissatisfaction with their work. As a result, many of them were sent back to original units by their commanders. The rest are now waiting to (?be withdrawn) as well.

"In large and small towns, a sense of dissatisfaction has developed among the public, thereby resulting in some violent incidents which have caused loss of life and property. Such violent incidents included a bomb explosion at the (Paksan) bridge on 18 March, a bomb explosion at the Vientiane morning market on 5 April, a bomb explosion at the (?Boua) Savan Theater on 7 April, arson at the Khoua Din bridge market on 20 April, and a strike by teachers at the [name indistinct] Secondary School for not having been paid wages for half a year. All of those incidents clearly show dissatisfaction among our people over the (?odious Kaysone regime). The Lao people's armed forces for liberation of the country would like to congratulate (?our people) for being opposed to the (?red Vietnamese) and the dictatorial and treacherous Kaysone clique. This means that they will be punished by the Lao people."

"From 24 January to 3 March, the armed forces for liberation of the country in the 2d Army Region stationed in areas under their responsibility regularly sent out units to attack and plant landmines against the red Lao and Vietnamese soldiers. Four clashes occurred during this period, in which 27 red Lao soldiers were killed and more than 30 wounded."

On 28 March, a 30-man red Lao unit from the (Lasen) garrison was sent to carry out a mop-up operation against the armed forces for liberation of the Lao nation at [name indistinct] in Sam Neua District. Four of them were killed and five others wounded by a landmine planted by our armed forces.

On 30 March, 29 red Lao soldiers from the (Lasen) garrison was dispatched to carry out a suppression drive against our armed forces at (Ban Hin Sang) and (Samsen) villages. However, 10 of them were killed and a number injured when they stepped on landmines planted by our armed forces.

On 26 February, a 50-man red Lao unit from the (Longhian) post was sent to suppress our armed forces in the (Phonsi) area in (?Meuang Samthong) District. They stepped on landmines planted by our armed forces. As a result, 27 were killed on the spot while many others were wounded.

"On 1 April, an important person in the odious Kaysone regime informed us that an estimated 80 persons from the resistance forces who were arrested and detained by the Vientiane ruling clique in 1985 had been imprisoned and severely tortured. As a result, 72 of them died in detention. One detainee had his middle and index fingers chopped off by the red Lao elements. [words indistinct] At present, many resistance elements are still being detained by red Lao forces at the (Ban Nok Nanoi) village in the Khangkhai area. They are each given only 150 grams of rice per day for consumption."

At 0700 on 12 March, several red Lao soldiers burned down 10 houses at (Ban Phou Ban) village. Fifty head of cattle and pigs were also burned to death.

On 21 March, (?10) red Lao soldiers carried out a mission to track down the armed forces for the liberation of the Lao nation. However, they stepped on a landmine planted by our side at (Phonkiang) in Vangviang District. Four of them were killed on the spot and two others wounded.

On 28 February, an estimated 70 red Lao soldiers moved from (Ban Moun Sao) village to (Ban Pha Ngum) village. Upon learning about this, our armed forces went to intercept them. We were engaged in a five-minute firefight with them at 1100 on 1 March. Five of them were killed on the spot while our forces did not suffer any casualties.

On 25 March, the Vientiane ruling clique sent one Mig-23 aircraft to spray poisonous chemicals over (Ban Phakhek), (?Meuang Khangkhai) District, Xieng Khouang Province, killing three civilians and wounding (?80 others).

On 4 March, a six-man unit of the liberation armed forces in the 3d Army Region led by (?Lieutenant Nin) ambushed 30 red Lao soldiers at (Nam Cho), (?Meuang Phoun) District in (?Vangviang). Ten red Lao soldiers were killed in the five-minute clash with our side. Our side had no casualties.

On 14 April, four liberation soldiers in the 2d Army Region planted landmines along a route regularly traveled by red Lao soldiers. On that day, twenty red Lao soldiers from (?Meuang Phoun) District in (?Vangviang) were heading toward (?Ban Sok) along the route. Four of them were killed on the spot while more than ten were wounded when they stepped on our landmines.

On 30 March, a number of red Lao soldiers grouped to prepare for an attack against a liberation armed forces at (Phou Koum) position in Sam Neua. They were red Lao soldiers from the 202d and 12th battalions stationed at the Phonsavan Garrison in Xieng Khouang Province; the (?14th), 24th, and 585th battalions from Sam Neua; and some units stationed in Luang Prabang. Two red (?Vietnamese battalions) also participated in the operation. Apart from attacking our position, they also burned down 60 rice barns and all the houses in five villages and damaged all the people's property and plants.

On 14 March, four red Lao soldiers stationed at (Ban Houai Nga) village, (Tamkhieo) canton, Atsaphangthong District, Savannakhet Province were killed by our landmines in the (Phou Baklak) area.

On 15 March, a convoy of 30 trucks carrying between 200 and 250 fully-armed red Lao soldiers traveled from Atsaphangthong District to an airfield in Outhoumphon District of Savannakhet Province. They were later ferried by three (?TU-24) aircraft to northern Laos.

On 17 March, a convoy of eight red Vietnamese trucks departed Outhoumphon District, Savannakhet Province, where the (?114th Division) of the red Lao armed forces was stationed, for northern Laos via Thakhek.

On 13 March, some 120 red Lao soldiers from the 124th and 14th battalions attacked the position of the national liberation armed forces in Thapangthong District, Savannakhet Province. Our forces put up a stiff resistance, killing five red Lao elements and wounding four others.

Philippines

Reportage on Middle East Situation Continues

DFA Comments on 'Annexation'

HK1008090190 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 10 Aug 90

[By Rey Arquiza from the Department of Foreign Affairs—italicized portions in English]

[Text] The Department of Foreign Affairs [DFA] has released an official statement saying that the annexation of Kuwait by Iraq is a violation of the principles of international law. In the official statement, the DFA reiterated Philippine support for the UN Security Council resolution declaring the annexation of Kuwait by Iraq null and void.

In a one-paragraph statement, the DFA said: *The Department of Foreign Affairs considers the annexation of the state of Kuwait by Iraq in violation of established and accepted principles of international law, and affirms the Philippine Government's unequivocal support of United Nations Security Council Resolution No. 662, which declares the annexation of Kuwait by Iraq null and void.*

Policies Adopted To Avert Crisis

HK1008091590 Manila THE MANILA CHRONICLE in English 10 Aug 90 pp 13, 17

[By Corrie S. Narisma]

[Text] The cabinet adopted Wednesday night six policy directions designed to soften the impact on local petroleum prices of rising crude oil costs caused by Iraq's invasion of Kuwait.

The Gulf conflict and the subsequent United Nations-approved sanction calling for a stop to oil purchases from the two Arab countries had triggered a surge in global oil prices. The Philippines, which imports about 80

of its oil requirement, is thus pressured to raise pump prices of petroleum products.

Among the policy measures adopted by the cabinet the other night include the retention of the controversial Oil Price Stabilization Fund (OPSF), which the cabinet had intended to scrap: the postponement of a plan to deregulate local petroleum pricing; the retention of the foreign exchange cover which insures the three oil companies against fluctuations in the value of the peso vis-a-vis the dollar when importing crude, and the shift in oil taxation from ad valorem tax to specific taxes.

It also raised the possible activation of the Asean Petroleum Security Agreement, and the adoption of a national policy on purchasing crude oil from Iraq and Kuwait, taking into consideration the United Nations call for a boycott.

Dubai oil, which is closest in quality and price to the Philippines' crude imports, reached $25 a barrel after the Iraqi invasion of Kuwait from only $15 last month. Prevailing world market prices for crude are well above the $21-a-barrel target price of the Organization of Petroleum Exporting Countries (OPEC).

The Philippines is threatened by serious oil supply and pricing problems arising from the Middle East crisis, prompting the president and her cabinet to push for these policy directions.

The retention of the OPSF is part of the move to defer the oil industry deregulation program. It is aimed at cushioning the impact on the domestic market of any drastic rise in crude prices.

But the OPSF is currently reeling from a P10 billion deficit. Its retention would again require a subsidy from the national government to at least minimize any increases in local pump prices.

The shift from an ad valorem to a specific tax system for petroleum products would have to be pushed in the congress. A shift to specific taxes would at least minimize increases in local prices since the tax rates, regardless of the landed cost of crude imports, would be fixed. Under the present system, the tax rates increases as crude cost rises.

The move to call off the plan to abolish foreign exchange cover for crude oil financial will be undertaken also to ease the demand for foreign exchange and thus preserve the value of the peso [sentence as published].

The Philippines, in time of crisis, may also invoke the Asean Petroleum Security Agreement which requires oil producing Asean nations such as Indonesia, Malaysia and Brunei to share their production with the group's oil importing countries.

Under this agreement, prices will be negotiated bilaterally between the importer and the supplying country but prices will be based on a two-month average for negotiated transactions and the prevailing price levels in case of spot transactions.

The country's oil requirement averaged 238,000 barrels a day during the first six months of the year.

Industry sources feared that prices of domestic petroleum products could increase by as much as P1.73 a liter by November if import prices reach an average of $21 a barrel and the exchange rate drops to P25 to a dollar.

The current price levels were based on an import price of $16.53 a barrel and an exchange rate of P21.90:$1.

Increases in domestic prices can only be avoided under the situation through the infusion of government subsidy amounting to P1.7 billion monthly.

Philippine National Oil Co. [PNOC] President Manuel Estrella told a Senate hearing yesterday that the embargo on Iraqi and Iraqi-held Kuwait oil worldwide is bound to drive prices higher.

He said that while Saudi Arabia had agreed to raise its crude oil production by an additional 1.8 million to 2 million barrels a day to ease supplies, this still falls short of the combined daily production of Kuwait and Iraq of 4.7 million barrels.

"This development poses a double threat to our country in terms of supplies and prices. For us in The Philippines, the unavailability of crude oil from these two countries means that we have to look for new sources for about 20

of our national crude oil requirements," Estrella said.

PNOC's existing inventory is equivalent to 76 days' requirement.

"What we are working on now is the sourcing of our oil requirements up to the end of the year," he added.

He said that since PNOC obtains about 60

of its requirement through term contracts, it is assured of at least this amount up to the end of the year. The problem lies in the remaining 40

of the requirement which is usually secured through spot transactions.

Editorial Urges Cautious Approach

HK1008083990 Quezon City MALAYA in English 9 Aug 90 p 4

[Editorial: "A Prudent Approach"]

[Text] The Philippines is correct in exercising extreme caution in promulgating its policies regarding the Gulf conflict.

The UN Security Council has ordered a worldwide arms and trade boycott to force Iraq to immediately and unconditionally end its invasion of Kuwait.

Those who are pressing for the Philippine Government to go along with these sanctions appear to have forgotten that quite simply, we do not have any substantial exports to Iraq other than labor (numbering around 60,000 if those in Kuwait are included). Their safety and welfare may be prejudiced by any act that the host government may consider as hostile.

But worse is the reported plan of the Philippine Government to give de facto recognition to the Iraqi-installed government in Kuwait, a move that may solve one problem but create a host of new ones, including the possibility that we will be ostracized by the rest of the world. The government should act more prudently when it comes to taking sides in this major conflict.

The country's most pressing concern is to ensure the safety of Filipino workers in the troubled region, and to devise workable plans for their immediate evacuation if necessary.

Once actual firefights resume in those areas, the physical removal of the Filipino workers may prove to be quite difficult, if not impossible. As such, what is needed is close monitoring and accurate evaluation of developments, coordination with the host governments and the affected Filipino workers: things which cannot be done if our chiefs of mission and other concerned officials in those countries are not at their posts, or if we are rash with our official pronouncements on the developments there.

At least 25 per cent of the country's crude oil requirements come from the oil fields of the two warring countries. The question, in fact, is not if we can afford to source the supply from other countries, but if Iraq and Kuwait are willing to continue giving us the same share of their production. If not, then we really have to get our supply from other sources, and in such a case, we are, in a manner of speaking, the embargoed.

There is also the Moro National Liberation Front issue, where Iraq's political support matters.

The presence of U.S. bases in the Philippines has placed the country in another precarious position vis-a-vis the Gulf conflict. In the event that these facilities are used for U.S. military action in Iraq, the chances of our country getting involved in the war may not be quite remote.

This only serves to stress that in being cautious in our stand on the conflict, the Philippines is not at all encouraging the invasion of Kuwait or the violation of international law. It has supported the call for an immediate and peaceful settlement of the dispute, and this may be enough for now, as it is more prudent to let the superpowers, those who have the influence and the resources, to register their condemnation of the invasion

of find more decisive ways of bringing about an end to the conflict. We should remember that we are small boys caught in the yard where the big boys are fighting.

Use of Bases Viewed

HK1008093390 Quezon City MALAYA in English 10 Aug 90 p 1, 2

[By Ellen Tordesillas]

[Text] The Department of Foreign Affairs [DEA] is hoping the United States would not use Clark Air Base and Subic Naval Base as transit point for combat sorties in the Middle East as it could give rise to a conflict in the interpretation of the RP [Republic of the Philippines]-U.S. Military Bases Agreement [MBA], a ranking foreign affairs official said yesterday.

The official, who requested anonymity, said a 1983 amendment to the MBA provides for "prior consultation." In conjunction with the provision allowing the U.S. "unhampered military operations," Washington might interpret this to mean it does not need Philippine permission.

The official said the Philippine position is that "prior consultation" implies it has right to say "yes" or "no."

The official said if U.S. troops are transshiped through Clark and Subic before proceeding to the Middle East for combat operations, the Philippines will be placed in a dilemma.

"If we say 'yes', we will be dragged into a war. If we say 'no', they can come like a thief in the night and how would we know?" the official said.

"The U.S. has to be sensitive to a situation where we have nationals there who will be in danger if Iraq sees us as allowing ourselves to be used against them," the official said.

The U.S. has started sending elements of its Rapid Deployment Force and fighter planes to Saudi Arabia as part of what U.S. officials expect to be a multinational force against further Iraq aggression.

U.S. Embassy spokesman Stanley Schrager said he has no knowledge of Middle East-bound U.S. combat troops in Clark and Subic.

"We've been in close touch with the Philippine government since the invasion and we will work closely with government officials on this, including the sending of troops from the Philippines," Schrager said.

The DFA officials siad resupply of ships from Diego Garcia base does not constitute combat operations and therefore does not require prior consultation.

Analysts said that in an emergency, up to 3,500 tons of military cargo could be flown daily from Clark to the joint U.S.-British base on Diego Garcia in the middle of the Indian ocean.

From there, it could be loaded onto U.S. ships or flown to airfields in Africa, the Gulf or the Arabian peninsula to which U.S. forces have access.

The DFA official said the prospect of the Philippines being dragged into a war not of its own making "should prod bases negotiators to focus on the issue of unhampered military operation and have it more clearly defined."

The Philippines and the U.S. will negotiate a new treaty next month that will govern the continued stay of U.S. bases in the country after the current agreement expires in September 1991.

Salonga Outlines Options for U.S. Bases

HK1008035690 Manila MANILA BULLETIN in English 10 Aug 90 pp 1, 14

[By Olaf S. Giron]

[Text] Senate President Jovito Salonga said yesterday the people gave their conformity to the removal of the US bases when around 80 percent of them ratified the Constitution but, he added, many Filipinos, "perhaps the majority," are either indifferent or in favor of retaining the facilities.

Salonga was addressing a seminar workshop of local government and civic leaders on the impact of the US bases here and their removal soon sored by the National instituted for Policy Studies and the Freirich Naumann-Shiftung.

Specially, he said the people ratified Section 25 of the Transitory Provisions which states:

"After the expiration in 1991 of the agreement between the Philippines and the US concerning bases, foreign military bases, troops, or facilities shall not be allowed here, except under a treaty duly concurred in by the Senate and, when Congress to requires, ratified by a majority of the votes cast by the people in a national referendum held for that purpose, and recognized as a treaty by the other contracting State."

"However," Salonga said, "many Filipinos, perhaps the majority, are either indifferent or in favor of the retention of the bases because of the lack of proper information. That is why this seminar is important."

The Senate president added that for a treaty to be ratified in the upper chamber, a two-thirds vote is needed. "That means 16 votes in the Senate. At this point in time, it would be quite difficult to get 16 votes in favor of the bases retention," he said.

He cited the Rand Report of last year which hinted that the US might be ready to abandon Clark Air Base in exchange for the retention of Subic Naval Base. He said this could be true as the US is reportedly starting to prepare Guam as a possible transfer site for Clark. Salonga told the seminar that assuming the US gives up

Clark, Subic Base could be "privatized." Under this arrangement, a Filipino corporation would take over the operation of the base with the understanding that US naval ships as well as vessels of other countries shall have access, not bases rights, to its facilities for repair and refuelling purposes. Salonga pointed to the Singapore model where maritime powers have no basing rights but have access to its repair and refuelling facilities for a fee based on a contract.

"In short, there will be no more foreign troops, no foreign bases and facilities in the Philippines. Thus we can comply with the provisions of the Constitution and still leave some form of access for US and other maritime users on a commercial or business proposition," he said.

Salonga added that in this manner, the problem of labor displacement will likewise be solved.

Other guests who acted as panelists in the three-day workshop were Reps [Representatives] Bonifacio Gillego (Independent), Ernesto Amatong [LP] (Liberal Party), and Jose Ramirez (LDP) [struggle of Philippine Democrats], and Pangasinan Vice Gov. Gonzalo Duque (LP). Previous speakers were UP [University of the Philippines] President Jose Abueva, Rep. Felicito Payumo (LP), and UP Prof. Carolina Hernandez.

President Aquino Visits Nueva Ecija 9 Aug

HK0908052390 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 9 Aug 90

[Text] President Corazon C. Aquino visited Nueva Ecija with some cabinet and Congress members today. First, she went to the Ninoy Aquino shrine to determine the damage caused by the earthquake in the area. Then, she proceeded to Fort Magsaysay to participate in the tree-planting activity at the Department of National Defense-Department of Environment and Natural Resources project site.

The president also held a meeting with local officials and listened to their grievances and area recommendations. During the same visit, she reiterated recognition for the military units that assisted greatly in the relief and rehabilitation efforts for earthquake victims in the province.

De Villa: Military Monitoring Rightist Forces

HK0808100790 Manila Radio Veritas in Tagalog 0900 GMT 8 Aug 90

[Text] Armed Forces Chief of Staff General Renato de Villa announced today that the entire Armed Forces is always on alert and ready at all times to deal with any possible attempt by ultra-rightist forces. He added that the AFP [Armed Forces of the Philippines] was monitoring newly formed groups which claimed to support the chain of command of the Armed Forces of the Philippines.

[Begin recording in English] [De Villa] It is different from other groups

[Reporter, interrupting] How?

[De Villa] ...in the sense that they want to help the chain of command, but that we have to see.

[Reporter] Sir, would you welcome such a development at this time, sir?

[De Villa] Well, in so far as any, any manifestation of support for the development, rather, for the chain of command in its internal programs of reform is concerned, I have no objection.

[Reporter] Sir, the fact that most of their members, sir, are incognito and not known to you, what would you undertake to ensure that this group is really after supporting the chain of command?

[De Villa] Well, you could expect that we will have to find out what this is really all about.

[Reporter] Sir, what are the possibilities that the rebel forces would come up with a plan or mode for another coup...?

[De Villa] This is the first time I heard the term.

[Reporter] Yes, sir. Have you verified some reports regarding this matter, sir? Regarding a possible coup within August?

[De Villa] You can be certain that we are always watching. We are always monitoring. We are always assessing the situation on a continuing basis because...[end recording]

Congressman De Guzman Resigns Congressional Seat

HK0708120390 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 7 Aug 90

[Excerpt] Nueva Ecija Congressman Nicanor de Guzman Jr., convicted by the courts of illegal possesion of firearms, has resigned his congressional seat. Here is a report from Roger Lagasca:

[Begin recording] Congressman Nicanor de Guzman has resigned his congressional seat to spare his colleagues in the House of Representatives from further embarrassment. Prior to this, we had spoken to Speaker Ramon Mitra who stated: If Nicanor de Guzman Jr. does not resign, he himself will give up not only the Speakership but also his seat as congressman of Palawan.

After a temporary recess was called, many congressmen approached the teary Nicanor de Guzman, former representative of Nueva Ecija, after he resigned from the House of Representatives today. [passage omitted] [end recording]

Aquino Cites Constabulary, Police Achievements

HK0808055590 Quezon City Radyo ng Bayan in Tagalog 0200 GMT 8 Aug 90

[Speech by President Corazon C. Aquino Marking 89th Anniversary of the Philippine Constabulary and 15th Anniversary of the Integrated National Police at Camp Crame, Quezon City—live in English—broadcast in progress—italicized portion in Tagalog]

[Text] ...I am aware that the PC-INP [Philippine Constabulary-Integrated National Police] has implemented major thrusts and priority programs to improve the effectiveness of our police and constabulary forces. I laud your efforts to enforce our laws, even as you have increased police presence in crime-and insurgency-prone areas.

I have been informed that the valiant exploits of the constabulary and the police against communist terrorists, having engaged them in 444 armed encounters or 43 percent of the total encounters last year. For the first quarter of this year alone, our PC-INP men have cleared 506 barangays of communist influence in the course of their anti-insurgency campaign. Through fruitful intelligence work and perseverance, they relentlessly shook down the enemies of the state and have set back the CPP-NPA [Communist Party of the Philippines-New People's Army] military organization five years with the arrest of important CPP members. To cite a few recent arrests: Antonio Cabardo, Noel Cruz, and Caridad Magpantay Pascual, and some from the Alex Boncayao Brigade cadres. The arrest by the cadres was done after the assumption to office of Major General Cesar Nazareno who was determined to clear the Manila-Rizal area of these dangerous elements.

The timely crackdown thwarted future moves of the CPP-NPA and saved the lives of foreign nationals, civilian officials, and ranking military men who had been marked for liquidation within the next six months.

I therefore commend the PC-INP chief and all those involved in this successful campaign in the national capital region against leftist terrorists.

Your records indicate that you have brought down the incidence of crimes last year. You have succeeded in neutralizing 12 syndicated criminal groups and arresting 10,643 wanted persons. You have remarkably reduced carnapping [car thefts] incidents while increasing to 81 percent, the recovery rate for carnapped vehicles.

I understand that your sustained drive against drug syndicates has also paid off. Last year alone, your antidrug abuse campaign led to the arrest of 2,095 individuals including 22 foreigners for drug pushing and drug abuse, and the seizure of 1.5 billion pesos worth of prohibited drugs.

But even as I congratulate you for these recent achievements, I must enjoin you all to change the public perception, incorrect as it may be, that elements of the PC-INP are themselves behind these detestable crimes. And this you can do if like Caesar's wife, you will keep yourselves always above suspicion.

I must tell you that I am very proud of the results of your campaign to neutralize the ultra-rightists who have been threatening our freedom. In only the first six months of this year, you have captured nine rebel leaders including former officers Jaime Lucas, Pacifico Avenido, Jose Gamos, and Wilhelm Doromal. I congratulate the PC-INP for relentlessly pursuing these fugitives. Perhaps in the coming months, you can apprehend more of them.

As we celebrate this joint anniversary now by recalling your accomplishments, I must remind you that you are tasked to be our primary law enforcers. It is only to be expected therefore that you uphold the law at all times. It is not enough that you have the best of intentions. The manner by which you enforce the law should conform with accepted legal principles and procedures and the values of our people. The inhumanity and viciousness our enemies adopt are not your style, for your duty includes full respect for human rights. Lead on and lead by example.

You helped forge a vision at Edsa [Epifanio de los Santos Avenue]. Then it is your task to help keep this vision by maintaining our peace. The zeal and dedication expected from each of you will consistently be demonstrated if, and only if, you are continually aware that your primary allegiance is to flag and Constitution, and your foremost duty is to keep our peace. I ask you to resist the temptations that abound while you pursue your mission, brooking no deviation from this goal. *A happy gathering and good morning to all.* [applause]

General, Driver Killed in Davao Ambush

HK0608082790 Quezon City Radyo ng Bayan in Tagalog 0515 GMT 6 Aug 90

[Report from Davao City by Ricky Jimenez—italicized portions in English]

[Text] [Jimenez] This is a continuation of our flash report concerning the ambush-slaying of police Brigadier General Antonio Teves who was based with the Davao Philippine Constabulary-Integrated National Police regional command in Region 11, Southeastern Mindanao.

On an inquiry as to whether or not there were other people killed aside from General Antonio Teves, the answer is yes. His driver, named Peter Evangelista, was proclaimed dead on arrival at the hospital, together with General Antonio Teves at about 1139 this morning. The incident occurred barely two hours ago, here in Davao City. Teves was only 49 years old while his driver Peter Evangelista was 38 years old. They were still young. Right now, General Teves' family is at the Davao Doctors' Hospital morgue attending to the corpse and will probably transfer the body elsewhere.

Meanwhile, the media like Radyo ng Bayan, Davao is at the scene giving periodic reports on this incident which will be reported in national dailies tomorrow.

[Anchorman] Who is being suspected of the crime?

[Jimenez] *Let us go into some circumstances, like* ballistic experts found out that a .45 calibre pistol and an Uzi automatic pistol were used. The authorities' only lead was the arrest of the driver of the get-away vehicle commandeered by four to five young armed men *right after the incident* at the Teodoro Palma Hill Elementary School and Quirino Avenue, *which is also right in the downtown area of Davao.*

[Anchorman] So, there is no solid lead yet.

[Jimenez] That's right. The San Pedro police patrol station has no solid lead yet, *but the men of Colonel Franco Calida are all out to initiate the necessary background investigation.*

Communist Rebels Claim Ambush

HK0808133590 Manila Radio Veritas in Tagalog 1300 GMT 8 Aug 90

[Text] Communist rebels have claimed responsibility for the killing of Brigadier General Tony Teves, deputy operations chief of the Philippine Constabulary-Integrated National Police in Davao. Teves was ambushed two days ago, along with his driver and bodyguard. According to a statement issued by the New People's Army [NPA], Teves was accused of being one of the brains behind the formation of the vigilante groups in Davao.

Meanwhile, Lieutenant Colonel Franco Calida claimed that the NPA force in Davao had been totally crushed due to the Alsa Masa [People's Uprising], and that the ambush on Teves was just a treacherous act.

Suspected ABB Members Kill Two Former Comrades

HK0608081590 Manila DIYARYO FILIPINO in Tagalog 6 Aug 90 p 8

[By correspondent Neneth Ramirez]

[Excerpt] Two rebels who turned away from the New People's Army [NPA] were shot and killed by three suspected Alex Boncayao Brigade [ABB] members in Veterans Village, Quezon City yesterday. The victims, who died instantly, were identified by the investigator of the case, Pat. [Patrolman] Julio Nojar, as Ricardo Espirito, 19, single, of 53 Luzon Avenue, Veterans Village, barangay Holy Spirit; and Pedro Tamayo, 20, single, of the same place.

It was learned that at about 1030 AM, the two were walking on Veterans Village Road to buy ice cubes and liquour for their guests when they were approached by the three suspects, who had allegedly been standing by the store where the victims were going.

The suspects produced a .45 calibre revolver and shot the victims. They even checked the victims out to make sure they were dead before calmly fleeing. According to some witnesses, before the assailants fled, they warned that no one should interfere because the two deserved to die as they were traitors.

Some neighbors said that they would be able to recognize the suspects because they frequently visited the victims who were reportedly NPA members. It will be recalled that another former NPA member was killed by his comrades in the same city recently.

The victim was identified by Sgt. Hector Dimaculangan, officier in charge of the case, as Edgardo Gera, 37, driver, of 1292 Visayas St., Guadalupe, Makati.

Richard Navarro, Gera's neighbor, said that the victim broke away from the NPA three months ago because he could no longer stomach killing people, and also that he became a friend of a policeman detailed with the Quezon City Police Station in Kamuning, Epifanio de los Santos Avenue. Gera was killed because he was suspected of providing the police information regarding the NPA safehouses in Metro Manila. [passage omitted]

Government Troopers Clash With Rebels in Lucena

HK0808095790 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT in Tagalog 8 Aug 90

[By Benjie de Galicia from Quezon Province]

[Text] An encounter took place between 25 New People's Army [NPA] members and troops of the 232d PC [Philippine Constabulary] Company led by one Captain Macelo Garbos in Barangay Ilayang-mayaw in this city of Lucena.

According to a report by Brigadier General Federico Ruiz, Solcom [Southern Luzon Command] chief, this was the second time that the terrorists launched an attack after an earlier ambush of four members of the CHPG [Constabulary Highway Patrol Group] in Barangay Mapagong, Pagbilao, Quezon last week.

Authorities believe that the encounter which took place this morning resulted in the death of six NPA members. However, the bodies were immediately taken away by their colleagues in their escape to an unknown destination.

The PC recovered one M-16 armalite rifle, 15 short magazines loaded with M-16 bullets, one home-made shotgun, two hand grenades and documents. There were no reported casualties on the side of government troopers.

Ramos Orders Probe Into Massacre of 19 Muslims

HK0708052390 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 7 Aug 90

[Text] Defense Secretary Fidel Ramos ordered an investigation into a reported massacre of 19 people in Sultan Kudarat last Friday [3 August].

In yesterday's news conference attended by Jim Bilasano, the secretary said the investigation will be carried out by a specially formed team. The Human Rights Commission reported that 19 civilian Muslims were killed by soldiers in Tacurong, Sultan Kudarat to avenge the killing of two of their colleagues. [Ramos passage indistinct]

Soldiers Implicated in Massacre

HK1008083390 Quezon City MALAYA in English 9 Aug 90 p 2

[By Charlie Senase]

[Text] Cotabato City—Brig. Gen. Oswaldo Villanueva, Army's 6th Infantry Division commander, has sacked a battalion commander, two of his junior officers and 12 other troopers who were implicated in the recent massacre at Barangay New Passi, Tacurong, Sultan Kudarat, that killed 19 members of a Muslim clan, a military official reported yesterday.

Maj. Reynaldo Tolentino, 6th IB [Infantry Battalion] military operations chief, said the relief of the officers and men belonging to the 38th infantry battalion based at Esperanza town was ordered by Villanueva following recent directives of Defense Secretary Fidel Ramos to conduct an impartial investigation of the incident that also killed two soldiers.

Relieved from posts and placed under technical arrest were Maj. Pedro del la Cruz, 38th IB chief; two of his junior officers identified only as Lieutenants Murillo and Rosario; and 12 enlisted personnel whose identities were not disclosed.

Murillo and Rosario were reported to have led the troopers in a mission to arrest Kamlon Mamindiala, an alleged Moro National Liberation Front commander and several of his men. Kamlon and 18 of his relatives, including six children, were killed.

Thailand

Further Coverage of Response to Iraqi Situation

Plans for Workers in Saudi Arabia

BK1008130590 Bangkok Voice of Free Asia in Thai 1030 GMT 10 Aug 90

[Excerpts] Deputy Foreign Minister Praphat Limpaphan, who is currently on a visit to the United Arab Emirates [UAE], spoke to newsmen in Dubayy yesterday. He said the Foreign Ministry has been closely following the Iraq-Kuwait situation which has affected Thai workers in Saudi Arabia. He and his party plan to visit Thai workers in Saudi Arabia later.

Praphat said he has consulted with officials concerning plans to help Thai workers. Ordinarily, the firms employing these workers would be responsible for the welfare of the workers. The Thai Embassy has jointly formulated the assistance plans with the employment firms and has consulted Saudi officials on providing safe places for workers in case of evacuation. The embassy has also coordinated with agencies concerning evacuation of Thai workers.

Praphat said Thailand is among the first countries which have sent officials to look after workers once the situation became serious, as it regards the lives of Thai workers as valuable and feels they must be given the best protection. [passage omitted]

Likhasit Pansomchit, Thai ambassador to Saudi Arabia and the UAE, disclosed after meeting with the Deputy Foreign Minister Praphat that he reported on the impacts of the Iraq invasion on Thai workers. He said that after the invasion Saudi officials have earnestly prepared to deal with the problem because the Saudi Government wants to prevent confusion as possible. Saudi forces have been dispatched to the border to defend the country.

The ambassador said due to the large number of Thai workers near the Iraqi-Saudi border, the area is a place of concern. The embassy has consulted with the Philippine Embassy, as there are also a large number of Filipino workers in Saudi Arabia. Thai Embassy officials have also been sent to the border areas to observe the situation and plan assistance of Thai workers if they should flee to the border. [passage omitted]

The ambassador said consultations with Saudi officials led him to conclude that evacuation of large number of Thai workers could cause panic. Therefore, any action to be taken must be done step by step. Moreover, the current situation is no cause for great concern. There is enough time to solve any situation involving Thai workers. Families of workers need not worry. The Thai Government is ready to evacuate workers if the situation warrants it. If airports are closed, there are alternate routes to evacuate them.

The ambassador said it would not be easy for Iraq to invade Saudi Arabia because UN forces [as heard] have already been deployed in Saudi Arabia, and many countries have applied pressure against Iraq. Even Jordan, which had been a staunch supporter of Iraq, has condemned Iraq. International boycott against Iraq has begun to show results, as evidenced by Iraq's logistical difficulties and local shortages.

Embassies Told To Move

BK1008140890 Bangkok Army Television Channel 5 in Thai 1230 GMT 10 Aug 90

[Text] The Foreign Ministry's Information Office stated today that it had learned yesterday from the Thai Embassy in Baghdad that foreign embassies in Kuwait had been told that since Iraq and Kuwait have been combined into a single country, it is no longer necessary for foreign countries to maintain their embassies in Kuwait. All embassies in Kuwait are to move to Baghdad

by 24 August. The Information Office said that the Thai Government is consulting with other countries on a plan of action that will avoid repercussions to Thai workers and violations of the UN Security Council's resolution, which declared that Iraqi instructions are null and void.

The Information Office director said relatives of Thai workers in Iraq and Kuwait may contact the Workers Interest Protection Section for information about the workers.

Task Force on Sanctions

BK1008072690 Bangkok Domestic Service in English 0000 GMT 10 Aug 90

[Text] A special task force has been set up to study various measures for Thailand to impose economic sanctions against Iraq following a resolution adopted by the Security Council of the United Nations.

Ambassador attached to the Ministry of Foreign Affairs Kopsak Chutikun said the task force comprises representatives from related government agencies, namely the Ministries of Finance, of Commerce, and of Foreign Affairs; the National Security Council; the Budget Bureau; the Labor Department; and the Petroleum Authority of Thailand, with the Secretariat of the Prime Minister's Office as the coordinator.

Ambassador Kopsak said that as a UN member, Thailand shall comply with the resolution which calls for an imposition of a boycott on all trading practices with Iraq and the new Kuwaiti Government. However, he said, Thailand has to carefully study the repercussions before joining the boycott, as the country's basic principle is to maintain good relations with all states in the Middle East. Mr. Kopsak said that for the time being, government-to-government contacts with Iraq and Kuwait will be suspended while the private sector's contacts with these countries are still allowed.

He added that there is now no need to evacuate Thai workers in the two states unless the situation worsens. However, there have been discussions among agencies concerned to draw up plans for the evacuation and provide food supplies for Thai workers.

'Invasion,' UN Role Viewed

BK1008144590

[Editorial Report] Two Thai dailies—SIAM RAT and THAI RAT—on 10 August carry one editorial and two columns commenting on Iraqi invasion and annexation of Kuwait and on the United Nations role in connection with the issue.

SIAM RAT's editorial on page 8, entitled: "Be Aware of Iraqi-style Behavior," says that after telling the world people that it had withdrawn its troops from Kuwait, Iraq announced on 8 August that it has annexed Kuwait. This means that Iraq merged Kuwait into its territory after invading the country. Iraqi President Saddam Husayn defiantly defended his invasion of Kuwait by calling it a holy war for an Arab nation partitioned by malicious Westerners and an example to other Gulf states. The editorial says that President Saddam Husayn's reason for seizing Kuwait is unreasonable and this is not a holy war. Iraq's behavior deserves condemnation by the world community, and it is suitable that the world community help find ways to liberate Kuwait by all means.

The editorial says that "we hold that the initial step to punish Iraq is to implement measures that isolate Iraq's economy seriously and effectively, banning all trade activities with Iraq until it is weak—lacking food and consumer goods—and agrees to return independence to Kuwait." We do not agree to the use of force to retake Kuwait from Iraq because by doing so, more innocent people would be killed. The use of force to press Iraq should be the last resort. It is time that the world community, especially the United Nations, be serious with Iraq. If we pay no attention it, big countries with strong military forces will imitate Iraq's behavior without fearing to be punished. The editorial concludes by saying that "we will wait to see how strong the United Nations will be in showing its role for the world community this time."

THAI RAT's "World Window" column by "Jupiter" on page 2, entitled "The Role of the United Nations," says that the UN Security Council's prompt resolution on imposing sanctions against Iraq for invading and annexing Kuwait is another achievement of the United Nations, which serves the original purposes of its founders. It is true as some UN diplomats have said that after passing the Cold War period which dragged for about two generations, this organization has returned to its original role.

The column says that "the facts that big powers hold identical views on this issue, that the United States and the Soviet Union jointly condemn Iraq, and that the UN Security Council unanimously adopted the resolution indicate that the United Nations is no longer a paper tiger."

SIAM RAT's "Soi Suan Phlu" column by M.R. Khukrit Pramot on page 9 says that today he would like to talk about big news of the world—Iraq's invasion and annexation of a small country like Kuwait. The column says that it is strange and hard to believe that an old-fashioned act of one country invading and annexing another still exists in the modern world. The column says: "The U.S. President has said on TV that he was sending units from the 82d Airborne Division and U.S. warplanes to Saudi Arabia as part of a multinational force to defend the threatened kingdom." The column adds that in fact, since Iraq invaded Kuwait a week ago, President Bush has condemned Iraq every day and sent warships and warplanes to the Mediterranean Sea and the Persian Gulf but still has done nothing to Iraq. It is rather like a war of words. Before the Iraq-Kuwait war, the United States said that Iraq had set up a plant to

produce chemical weapons to prepare for wars in the future. However, Iraq denied the U.S. charges, saying that it is not a factory for producing chemical weapons but for producing chemical substances for medicines.

The column says that it is not known whether the United States still believes in its old charges against Iraq. However, the United States so far has not taken any direct action against Iraq, except threats. The column wonders if this can be considered that the United States is afraid of Iraq's chemical weapons.

Vice Premier Phong Postpones Visit to Iran

BK0908114290 Bangkok Voice of Free Asia in Thai 1030 GMT 9 Aug 90

[Text] According to Deputy Prime Minister Phong Sarasin, he has postponed a visit to Iran scheduled for 8 August as part of the delegation of Deputy Foreign Minister Praphat Limpaphan because he was asked by Iran to visit next week. He said the postponement has nothing to do with the fighting between Iraq and Kuwait. He said Iran wanted to give him a fitting reception and asked that he make a visit next week.

KYODO Reports Chatchai, Sok An Hold Talks

OW1008114490 Tokyo KYODO in English 1121 GMT 10 Aug 90

[Text] Bangkok, Aug. 10 KYODO—Sok An, deputy foreign minister of the Vietnam-backed Cambodian Government in Phnom Penh, visited Bangkok for talks with advisers of Thai Prime Minister Chatchai Chunhavan, a reliable source close to the advisers said Friday. Sok An arrived here Wednesday for several rounds of private discussions with Pansak Winyarat, chief adviser to the prime minister, and Kraisak Chunhavan, Chatchai's son and adviser.

Sok An is the regular channel of communication between Chatchai's advisers and Phnom Penh.

The source said the object of Sok An's trip was to explain the Phnom Penh government's latest stance toward a peace settlement, particularly on a new round of meetings among the four rival factions to the Cambodian conflict.

The meetings among the Cambodians are seen as crucial because there has been no progress over the past two months since the Tokyo peace conference in June. At that Tokyo meeting, resistance leader Prince Norodom Sihanouk and Phnom Penh Prime Minister Hun Sen signed a joint communique, but the Khmer Rouge, the strongest resistance faction militarily, boycotted the signing.

The source said Sok An told the Thais during his visit that Phnom Penh would strictly adhere to the Tokyo communique and that the new round of meetings among the four factions is to be the first meeting of a supreme national council (SNC), a reconciliation body comprising all warring factions and agreed to in the Tokyo accord.

Sok An told his Thai hosts that at the first day of the SNC meeting, a ceasefire had to be in place, in accord with the Tokyo agreement, the source said. Sok An also affirmed Phnom Penh's interest in the United Nations' role in supervision and control of a cease-fire, verification of cessation of foreign military involvement, as well as a general election, according to the source.

Meanwhile, Yukio Imagawa, the minister at the Japanese Embassy in Bangkok, left Bangkok for an eight-day visit to Cambodia on Friday. His visit was the second by Japanese Government officials to Phnom Penh, which is not recognized by Japan. An embassy source here said Imagawa planned to meet with several high-ranking Cambodian officials including Defence Minister Tea Banh, and to visit some provincial cities, most likely Siem Reap and Kompong Som, during his extensive stay inside Cambodia.

Li Peng's Visit to ASEAN Nations Viewed

BK0808151590

[Editorial Report] Two Bangkok Chinese-language dailies—ZHONG HUA RIBAO and XING XIAN RIBAO—on 5 and 7 August carry editorials appraising highly PRC Prime Minister Li Peng's visit to three ASEAN member countries; Indonesia, Singapore, and Thailand, between 6 to 14 August.

ZHONG HUA RIBAO's 5 August editorial on page 1, entitled: "Li Peng's Visit to Indonesia, Singapore, and Thailand Tomorrow Has Profound Significance," says that "Chinese Prime Minister Li Peng will arrive in Jakarta tomorrow to begin his five-day official visit to Indonesia to celebrate the normalization of diplomatic relations between the two countries, officially ending the 23-year-old cold relations. Both the Chinese and Indonesian Governments have attached great importance to this visit. Indonesian Minister-State Secretary Murdiono said two days ago that Indonesia would accord a grand welcome to Li Peng's visit."

The editorial says that "in fact, China's recent victories in the international arena are very spectacular. Only one week after the announcement on the resumption of relations with Indonesia, China established diplomatic relations with Saudi Arabia. The establishment of diplomatic relations between China and Singapore will be realized soon. Negotiations on this matter are underway. The establishment of diplomatic relations may be announced next month. After Singapore, Brunei—which will be the only ASEAN country that does not have diplomatic relations with China—may also establish diplomatic ties with China at the end of this year."

The editorial adds that following his visit to Indonesia and Singapore, Li Peng will pay a working visit to Thailand 13-14 August. He will hold talks with Prime

Minister General Chatchai Chunhawan to exchange views on further development of bilateral relations and on international issues. The editorial says that "Thailand and China have close relations and frequent contacts. The upcoming visit to Thailand by Li Peng is sure to obtain complete success in further strengthening friendship and cooperation between the two countries." It also adds that Li Peng's visit to Indonesia, Singapore, and Thailand will not only strengthen friendly bilateral cooperation, but will also include discussios of major international issues and the Southeast Asian situation, including the Cambodian problem. At a time when the United States has shifted its Cambodian policy and is going to hold negotiations with Vietnam in New York on 6 August, which may complicate the problem, if ASEAN and China can reach identical views on this issue and strengthen their cooperation, they will be able to find a more reasonable solution to the problem and establish a solid foundation for peace and stability in Southeast Asia. The editorial concludes: "In the circumstances, Li Peng's visit to Indonesia, Singapore, and Thailand has profound significance."

XING XIAN RIBAO's 7 August editorial on page 1, entitled: "Li Peng Began His Tour of Three ASEAN Member Countries Yesterday," says that Prime Minister Li Peng's visit to the three countries—Indonesia, Singapore, and Thailand—were at the invitations of the governments of those countries. The joint basic stand of China and these countries is to strengthen friendly cooperation for regional peace and stability and for the development of economic and trade relations. At the same time, they will also discuss joint efforts for the settlement of regional conflicts and discuss some international issues. As a result, "Prime Minister Li Peng's trip is of great and far reaching significance."

The editorial says that "according to ASEAN diplomatic sources, the main purpose of Li Peng's visit to Thailand once again is to reaffirm China's four-point principle of developing relations with ASEAN. The principle was announced by Prime Minister Li Peng at a state banquet hosted in his honor by Thai Prime Minister General Chatchai during the PRC prime minister's official visit to Thailand on 10 November 1988. This shows that the friendly cooperation between Thailand and China is beneficial to peace in Southeast Asia."

Cabinet Approves Visa Restrictions on Countries

BK0808025390 Bangkok THE NATION in English 8 Aug 90 p 2

[Text] The Cabinet yesterday approved reimposition of visa restrictions on citizens from 14 countries. The restriction was reintroduced to guard against reported frequent criminal and terrorist acts of visitors from those countries during their stays in Thailand, said a Government House source. Police have had difficulties tracking down on those foreigners after they committed legal offences because they did not have their personal records examined and kept by visa officials, the source said.

The 14 countries are Algeria, Bahrain, Egypt, Kuwait, Jordan, Oman, Qatar, Saudi Arabia, Sudan, United Arab Emirates, Yemen, Israel, Nigeria and Tunisia. The 14 nations are among 55 countries whose citizens enjoy special rights to stay in Thailand without visas for up to 15 days.

The Foreign Ministry has recommended reimposing visa restrictions on the 14 countries following a major increase in drug smuggling by Nigerians and other Africans and concern over possible spillovers of Middle Eastern conflicts into Thailand.

After the visa restrictions were reimposed, citizens from the 14 nations will be obliged to request visas from Thai embassies or consulates in their countries if they want to enter Thailand.

Visa Rule Causes Decline in Number of Nigerians

BK1008081490 Bangkok Voice of Free Asia in English 1500 GMT 9 Aug 90

[Text] The number of Nigerians going to Thailand has gone down "considerably" since May when Thailand imposed visas for all Nigerian travelers. The decline is a result of joint efforts by the two countries to fight drug smuggling and of assistance provided to the embassy by the newly-created National Drug Law Enforcement Agency in screening would-be travelers.

Up to May, Nigerians could enter Thailand and stay there for 15 days without a visa. However, visas are now required whatever the length of stay.

The Thai decision followed a wave of arrests on drug charges of people carrying Nigerian passports in Thailand. More than 130 Nigerian passport-holders have been detained in the last eight months in Thailand.

VOFA Reports on Jan-Jun Lao Border Trade

BK0208132590 Bangkok Voice of Free Asia in Thai 1030 GMT 31 Jul 90

[Text] The chief of the Nong Khai customs checkpoint has reported that in the first half of this year, the total value of the imports from Laos through the checkpoint was 176 million baht while that of Thai exports was 497 million baht, with a trade surplus of 321 million baht in Thailand's favor and a combined total trade value of 673 million baht. In addition, trade between Laos and third countries through the checkpoint totaled about 667 million baht. The Nong Khai customs chief added that there is a trend of steady increases in the Thai-Lao trade. Major imports from Laos include timber, scrap iron, and cattle hide, while Thai exports to Laos include oil, zinc sheets, cement, motorcycles, canned fish, sweetened condensed milk, and television sets. The official cautioned Thai investors in their trade with Laos, saying tax rates there change abruptly, thus long-term business deals can be very risky.

Chatchai Reportedly Plans Cabinet Reshuffle

BK1008021790 Bangkok THE NATION in English 10 Aug 90 pp 1, 2

[Text] Prime Minister [PM] Chatchai Chunhawan has asked leaders of coalition partners to consider reshuffling Cabinet members within their own parties in preparation for a major shakeup expected to be announced next month, a source told THE NATION yesterday. The source said Chatchai held a secret meeting with party leaders on Tuesday when he told them to discuss possible changes in the Cabinet line-up with their members.

Each party must submit a new lineup of its ministers to the prime minister by the end of this month. The reshuffle is expected to be announced after Parliament holds an extraordinary session on the 1991 budget bill in the middle of next month, according to the source.

Political analysts said the reshuffle was aimed at restoring the public confidence in the integrity of the Cabinet which came under fire for alleged corruption in the recent no-confidence debate. The premier wants the reshuffle after the extraordinary session because the premier did not want to take the political risks of the ministers to be removed undermining the government stability.

In the meantime, Gen [General] Chatchai's intermediaries with Gen Chawalit Yongchaiyut also renewed attempts to bring the ex-deputy premier back to the Cabinet. This time around, Chawalit was offered the post of deputy premier and interior minister.

Reports on Chawalit's response were contradictory. Some sources close to him said that he told the intermediaries including Parliament President Wan Chansu, he could not return to a political post unless he has been elected to the House. "He said he wants to enter politics through the established channels," said one source who asked not to be named. But another said that Chatchai and Supreme Commander Sunthon Khongsomphong, a close confidante of Chawalit, discussed the possible return of Gen Chawalit to the government at a meeting on August 1. Gen Sunthon reportedly told Chatchai that Chawalit would settle for the post of interior minister.

If the behind-the-scenes contacts led to Chawalit assuming the interior portfolio—a scenario which sources said that Interior Minister Banhan Sinlapa-acha is reluctant to see coming true, Banhan would be moved to the Finance Ministry. Finance Minister Pramuan Saphawasu would then become deputy prime minister, according to the source.

During the meeting, Sunthon also asked Chatchai to "keep his promise" to settle the row between Chawalit and PM's Office Minister Chaloem Yubamrung. Chawalit resigned in June after Chaloem made veiled corruption charges against him.

There is speculation that Sunthon asked Chatchai to dismiss Chaloem from his post in order to maintain military support for the government.

Bribery charges against Deputy Interior Minister Santi Chaiwirattana have also prompted Chatchai to consider reshuffling his Cabinet, said the source. Police on Wednesday said they have enough evidence to take legal action against Santi for allegedly receiving bribes from operators of illegal gas stations.

A source in the Social Action Party [SAP], meanwhile, said SAP Secretary General Montri Phongphanit tried unsuccessfully to persuade Santi, an SAP MP [member of parliament] from Chaiyaphum, to resign from the government to save the party's reputation. Santi not only refused to quit but also threatened that he and four other Chaiyaphum MPs would resign as SAP members if party executives continued to pressure him to leave his Cabinet post, said the source. "Montri does not know what to do. But to save face, he could not say Santi did not give in to the party's demand for him to quit the government. He had to say Santi had already submitted the resignation which was refused by party executives," said the source.

According to the source, Montri assigned Deputy Transport and Communications Minister Nikhom Saencharoen to discuss with SAP leader Sitthi Sawetsila yesterday what actions should be taken against Santi.

The party will call a meeting on August 15 to discuss the reshuffle as well as preparations from the election of the party's new secretary general. Montri ends his two-year term this year. A number of SAP MPs are reportedly trying to push for the removal of Santi, Deputy Commerce Minister Phinya Chuaiplot and Deputy Agriculture Minister Udon Tantisunthon from the Cabinet.

Sitthi told reporters he believed the Cabinet will be soon reshuffled. "Our party will discuss the matter at the next meeting on August 15," he said.

PM's Office Minister Suphattra Matsadit, meanwhile, said the Democrat Party will have to call a meeting of its members before any decision on changes in the party's Cabinet lineup can be made. But Suphattra denied Chatchai told the party to prepare for a reshuffle. She, however, admitted the reshuffle would take place as key government leaders such as Banhan, Deputy Interior Minister Sano Thienthong and PM's Office Minister Bun-ua Prasoetsuwan had confirmed it.

Despite coalition parties' movements toward a reshuffle, Chatchai denied he was planning to restructure the administration, saying he was satisfied with the government's performance in the past two years. Chatchai said he has no plan to reshuffle the Cabinet at this time as an ad-hoc committee set up to investigate Opposition charges against Cabinet ministers during last month's censure debate had not yet submitted its findings to him. But he admitted that Santi's case had affected the

government but said he has not yet discussed the situation with the controversial minister. "Whether an arrest warrant is to be issued is up to the Interior Ministry," Chatchai added.

In another interview at a party to celebrate the second anniversary of his government last night, Chatchai said that he still wanted to step down after two years but added that he could not do so because there was still nobody to succeed him. "The man whom I have made my heir apparent has let me down," he said, apparently referring to Gen Chawalit.

Chatchai said that he worked 14-15 hours every day. "I have not had enough sleep because I stay late at night to handle paperwork. At this old age, it's just too tough for me," he said.

The premier refused to say anything when asked why he had not tried to bring Chawalit back. Instead he said that there was two more years to go for the government and he would try to "preserve democracy towards the end of my term".

Chatchai appeared tired at the party while the other Cabinet members exchanged pleasantries. "Look at them and you can figure out whether the government will fulfill its term or not," Chatchai said, tongue-in-cheek. The premier did not deliver a statement at the dinner party at his residence. He told them that he just wanted to dine with "my colleagues who have worked closely with me for two years in the Cabinet".

Article Discusses 'Maturity' of Parliament

BK0808041590 Bangkok BANGKOK POST in English 8 Aug 90 p 6

[Article by Banyat Thatsaniyawet and Soemsuk Kasitipradit: "Thai Parliament Showing Growing Signs of Maturity"]

[Excerpts] In the past two years the Government of Prime Minister [PM] Chatchai Chunhawan has looked pretty much indomitable in Parliament. Its overwhelming majority of 229 MPs [members of parliament] to the Opposition's 128 has seen it through many potentially dangerous situations. The Government vote has remained surprisingly intact on most issues in spite of the difference of opinion amongst the coalition parties.

But lately signs are appearing that this blessed condition may not continue. Coalition conflict which had been containable the last two years may no longer be as readily held back in the third, let alone the fourth year. [passage omitted] However, one key Democrat minister believes that none of these conflicts can cause a break up of the present coalition. "There is tension between party and party. But it's just not a factor to cause a split," the minister said. [passage omitted]

In any case, the Chatchai Administration seems strong enough to stay on in power with the current coalition partners and perhaps some new ones as well. A reshuffle, either an internal one with coalition parties changing their own ministers or an external one by adding a new partner, would improve its stability greatly.

Former Prime Minister M.R. Khukrit Pramot said the effects of a Cabinet reshuffle will depend on who remains the prime minister to direct it. New changes, he said, could improve things or make things messy. "If the prime minister is still Khun [honorific] Chatchai then everything will be O.K. It is like a band which must have a conductor. You can change the musicians but they will play the same song with the same spirit," M.R. Khukrit said. [passage omitted]

And in the last two years of the first fully elected government, Parliament and the political system as a whole have made some progress in the eyes of observers.

Solidarity deputy leader and former House Speaker Uthai Phimchaichon feels that there is an improvement in the quality of MPs and the political party system has improved over all. He admits there are those who enter politics on the belief that it would help their business. But their motives are becoming clear to the public. "The only way to resolve this is for the people to select better MPs. The people have to screen their MPs better," Mr Uthai said. "If the Government broadcasts more sessions of Parliament, the people will be able to monitor the work of their MPs which would help them select their representatives better at the next elections."

He also believes that Parliament as an institution has experienced growth. "Before Parliament was very fragile but as an institution it has grown stronger. Even the Senate is becoming more mature and this is illustrated by the fact that they voted against the Social Security Bill. They were showing that they are no longer a rubber stamp for the Government, and will no longer let anyone control them," Mr. Uthai said.

Some analysts believe that the people do not want the Chatchai government to fall, but what they do want is changes and improvements to be made, especially regarding widespread allegations of corruption. However, they also do not doubt that the quality and performance of MPs in the current Parliament is better than in the past. The censure debate shows that overall, many debators spent considerable time studying and collating facts for their argument.

The Prime Minister's chief adviser Phansak Winyarat believes that the second legitimising process of the democratic system, the censure debate, with the first being the elections, has seen some positive changes. Both the Government and the Opposition cannot get up and speak purely with rhetoric. They have to come up with statistics and facts and cut down on rhetoric to present complex issues in an easily understandable fashion. "Anyone who misses the facts gets hit back by facts from the other side. This is an extraordinary development in Thai Parliament. Don't be disheartened with walkouts. It's just a parliamentary tactic. But Parliament is becoming an institution that you can rely on.

"Look at PM's Office Minister Kon's explanation of the Kuwait oil deal. If he did not explain it the way he did, he would get into trouble. He could explain a complex set of facts in such a way that people could understand them," Phansak said.

Cabinet Shelves Controversial Dam Project

BK0108021390 Bangkok BANGKOK POST in English 1 Aug 90 pp 1, 3

[Excerpt] The Cabinet, fearing a confrontation between supporters and opponents of the proposed 3,000-million baht Kaeng Krung hydro-electric dam, yesterday decided to temporarily shelve the project pending further studies on irrigation and the scheme's environmental impact. More than 1,000 dam supporters from Surat Thani rallied in front of Government House for the second day as the Cabinet deliberated the controversial issue for almost three hours.

The Irrigation Department under the Ministry of Agriculture and Cooperatives was assigned by the Cabinet to obtain up-to-date information on irrigation in areas to be served by the Kaeng Krung dam. The study will take about six months to complete.

Meanwhile, the National Environment Board was instructed by the Cabinet to undertake a further study on the environmental impact of the project.

After the Cabinet meeting, Prime Minister Chatchai Chunhawan said there was no problem with the Kaeng Krung dam, but the Cabinet merely wanted more information on the project.

In a separate interview later yesterday, Gen [General] Chatchai said it is now known only that after the dam is completed it will have a capacity to generate 80 megawatts of electricity but it is not yet known how much water it will be able to supply for irrigation. "This is why we decided to let the Irrigation Department conduct a study to get more accurate figures," Gen Chatchai said.

He said the previous Cabinet resolution for EGAT [Electricity Generating Authority of Thailand] to build the dam concerned only electricity. Now water has been brought to attention, he added. "If we want electricity alone, we can resort to using gas and other sources of power. Now the main problem is water. Therefore, we have to study carefully how much water we would get from the dam," the Prime Minister said.

An ardent supporter of the Kaeng Krung project, Prime Minister's Office Minister Anuwat Watthanaphonsiri, told reporters after the meeting that the Cabinet had not scrapped the project, but wanted further study, particularly on the irrigation aspect, before making a final decision.

He said the delay in the implementation of the project would not affect electricity supply in the South because there were still sufficient power reserves. "Overall, there is still 16 percent in reserve. But we should not let the project be delayed too long, otherwise there may be some problems in the future," he warned.

Dr Anuwat said the Cabinet spent almost three hours debating the dam issue at great length, with authorities concerned, including EGAT and the Irrigation Department, being permitted to state their views.

Asked whether dam projects will be affected by future protests, Dr Anuwat said he did not believe so. He pointed out that neither the opponents nor the supporters of the Kaeng Krung dam had resorted to violence.

He later met hundreds of dam supporters from Surat Thani who had been rallying in front of the Government House since Monday. "I appeal to you demonstrators not to divide into opposing groups once you return home," Dr Anuwat said to the protesters. "I don't want to hear verbal abuse being exchanged among you people."

A strong opponent of the project, Deputy Commerce Minister Phinya Chuaiplot, said the Cabinet had discussed three aspects of the issue: the amount of electricity to be gained, the benefit to agriculture, and the environmental impact.

Regarding the first aspect, the Cabinet was told that the dam would generate only 80 megawatts of electricity. As for agriculture, Mr Phinya said the Irrigation Department's report in 1982 showed that up to 240,000 rai [one rai equals about half an acre] of farmland would benefit. But the farmland to benefit from irrigation may have been reduced because some of it had been transformed into industrial land, Mr Phinya said, adding that the Irrigation Department would take six months to study the irrigation aspect. [passage omitted]

Army Reportedly To Step Up Reserves Training

BK0108051590 Bangkok BANGKOK POST in English 1 Aug 90 p 3

[Text] The army is planning to step up its military training for army reserves because of its belief that the fighting in Cambodia will continue, an informed source said yesterday. The source said the plan was revealed to the House committee on military affairs during its meeting yesterday with senior military officers including Army Commander-in-Chief Suchinda Khraprayun.

Army representatives reportedly told the committee that Thailand needs to increase its military strength as there has been no sign of peace settlement for the 11-year-old Cambodian conflict. The officers said the army has planned to increase its reserve forces and provide them with more military training due to the anticipation that the fighting among warring factions will continue. There was no report, however, about how the House committee reacted to the army's plan, according to the source.

The source said the officers and the House committee members also discussed the use of secret funds for arms purchases. Most of the committee members, the source

said, agreed that it is necessary for the armed forces to classify some of the arms deals as state secrets and recommended that army representatives hold personal meetings with officials of the Budget Bureau to clear any doubts over the spending of the secret funds.

In another related report, Gen [General] Suchinda also told the House committee that the army will step up its survey on army-owned land across the country to prevent further encroachment by local villagers in the respective areas.

The House committee, the source said, had also praised Suchinda for his stated policy that the military will not interfere in politics. The committee said Suchinda's image in the public's eye had been enhanced after the policy was announced.

Oil Demand Up 14.7% in First Half of Year

BK0208015990 Bangkok BANGKOK POST in English 2 Aug 90 p 19

[Text] The local demand for petroleum products and indigenous natural gas rose 14.7 percent in the first half of the year over the same period last year to 493,600 barrels per day (b/d) of oil equivalent. The state-owned Bangchak Petroleum Co said the demand for refined oil products in the period increased 18.6 percent to 399,100 b/d based on the expansion of economic and transport activities. The consumption of nearly all refined oil products showed increases, particularly fuel oil which recorded a hefty rise due to a dramatic increase in demand for power generation, industries and shipping lines.

The increased demand for several oil products in the first half are as follows: LPG [light propane gas] up 10 percent to an average 28,500 b/d, gasoline up 13.2 percent to 64,500 b/d, jet fuel up 10.7 percent to 39,300 b/d, diesel oil up 13.3 percent to 173,100 b/d, and fuel oil up 45.5 percent to 88,200 b/d.

The country received an average 512,400 b/d of oil products in the first half, up 15.7 percent over the same period last year. Local sources provided 26 percent (133,100 b/d) of the total and imported crude and refined products the other 379,300 b/d.

Public spending on petroleum products in the first half was estimated at 63,240 million baht, up 19.2 percent from the same period last year based on higher consumption. Of the spending, 40,750 million baht is thought to be the actual cost of the oil products, while the rest was 20,810 million baht in excise taxes and 4,210 million baht in market margins for oil companies.

The average CIF [cash in fist] price for imported crude and refined products in the first half was US$19.4 a barrel [bbl]. This compares to $19.1/bbl in the same period last year.

Vietnam

Overseas Citizens Said Returning to Homeland

BK0608014790 Bangkok THE NATION in English 6 Aug 90 p 9

[Kawi Chongkitthawon report from Hanoi]

[Text] With over three million Viet-keu or overseas Vietnamese living in industrialized countries, Vietnam is planning to make use of their expertise, new found wealth and most of all their strong sentiment toward their homeland. Nguyen Ngoc Thanh, director of the Public Relations Department of the Central Commission for Overseas Vietnamese, hopes that this tremendous resource will help push Vietnam through to a modernized economy. "They have come home in recent years in great numbers. Some of them remained and contributed to Vietnam economically," Thanh said.

Last year, at least 20,000 Viet-kieu returned to their country. In the first six months of this year already 22,000 have arrived. By far, US has taken in well over one million Viet-kieu, most of whom were resettled after the fall of Vietnam and later from the influx of boat people. Canada, Australia, France have also a sizable number of Viet-kieu. Beyond that, about 40,-50,000 overseas Vietnamese excluding thousands of boat people are living in Thailand and Hong Kong.

Thanh said a lot of Vietnamese have become experts in computer science, science and technology. "Being Vietnamese, they still want to return home and help," Thanh said. "If we can tap their talent and skills, it would help Vietnam tremendously," he said.

Since 1986, the Vietnamese government has begun to allow overseas Vietnamese to return home on brief visits and later for longer periods. Although overseas Vietnamese are encouraged to visit home and stay with their relatives, the government so far has not yet come up with programmes or incentives that would be attractive enough to encourage them to stay in the country. A Viet-kieu from Sacramento, California lamented that the authorities are still suspicious of overseas Vietnamese. A young businessman, who has a small computer shop there, said that to lure back the Vietnamese who have settled abroad, Vietnam must create an overall environment conducive for them to live, work and invest here. "Sometimes, we are under surveillance," he complained.

Not all Viet-kieu are under the watchful eyes of security officials, according to a Vietnamese foreign ministry official. "Only some persons," he said, referring to those overseas Vietnamese who are members of anti-Vietnamese government groups. The official said Viet-kieu are free to go wherever they want. In the past, anti-Vietnamese groups have tried to infiltrate Vietnam through Laos. Some thirty anti-Hanoi resistance members were arrested early in this year and were subsequently jailed recently.

Vietnam has also urged Thailand to stop assisting anti-Vietnamese elements who may be residing in Thai territory. Beyond that, Viet-kieu are free to do whatever they like and stay wherever they want as long as they do not break the laws, according to Thanh.

Vietnam's doi moi, or reconstruction, has in fact attracted a great number of well-known professionals such as Nguyen Ngoc Tran, a mathematician, Nguyen Ngoc Ha, who is now a member of parliament and Prof Tran Dai Nghia, a scientist who used to reside in France. Last year, according to official statistics, Viet-kieu sent much-needed hard currencies worth more than $200 million into the economy of the country. "That money benefitted the senders' relatives, not the government," Thanh said. He said remittance from abroad could benefit the government if they are used to invest in the country. Since the country issued a new foreign investment law two years ago, only $5 million worth of projects were taken up by the overseas Vietnamese investors.

At present, foreign investors from France, Italy, Britain and other countries have invested in at least 200 projects worth almost $840 million in Vietnam. Viet-kieu communities' strong attachment and sentiment towards their hometowns, especially in the impoverished North and Central plains, are bringing annual donations from around the world, according to Thanh. "The donations are used to improve important historical and cultural sites."

The Central Commission for Overseas Vietnamese was set up long ago when the Communist Party of Vietnam was trying to muster support for their struggle against the South. The commission had had close contacts with the Thai government under former Prime Minister Pridi Phanomyong. The organization helped to arrange a big scale repatriation of Vietnamese refugees affected by the Franco-Vietnamese war in the early 50s, from Thailand's northeastern region under the 1960-64 Rangoon Agreement.

According to Thanh, the commission is not satisfied with the way the Vietnamese are being treated in Thailand. "They have become Thai and have contributed to Thailand," he said, adding that nobody recognized them. However, Thanh welcomed the recent Thai government's plan to give the Thai citizenship to children of Vietnamese immigrants who came to Thailand four decades ago. Vietnam has now allowed returned Vietnamese refugees, who still have relatives in Thailand, to visit Thailand. Thailand is still reluctant to give entry visas to them for fear that they would choose to stay in the country.

Countries Asked To Return Air Control Duties

BK0608020590 Bangkok THE NATION in English 6 Aug 90 p 17

[Text] Vietnam has asked Thailand, Hong Kong and Singapore to relinquish air traffic control responsibility for international flights which pass through its legal air space. The three countries, but principally Thailand, were given the long-range control of flights over Vietnam following the end of the war in 1975 when radar and other facilities in the former southern capital Saigon were destroyed or rendered inadequate to handle air traffic.

As a member of the International Civil Aviation Organisation (ICAO), Vietnam has begun moves through the world controlling body to have the three countries return the control of flights to it. According to a reliable aviation source, the ICAO presented the issue to last week's annual meeting of the ASEAN Sub-Committee Civil Aviation and Related Services (ASCCARS) which is made up of civil aviation authorities from Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

Because of its location, Vietnam plays an important role in the aviation industry in the Southeast Asia Region, simply because most Hong Kong and Japan flights to and from the busy airports of Thailand and its neighbours, and the long-haul carriers operating to the United States, have to pass over the country in order to conserve fuel and time. Vietnam currently charges the airlines operating through its air space—which involves an area known as Amber 1, encompassing the strip of land from near Danang City to just below the old north-south border—US$300 a trip, only $50 more than when the three countries assumed control of the traffic. The source said, however, that the ASEAN aviation authorities had queried the readiness of Vietnam, in terms of capacity and efficiency, to resume air traffic management.

"Security is the main issue which all nations questioned," said the source, explaining that the matter of assurance is at the heart of the aviation industry, and that it was vital to boosting the Asia Pacific region as the most progressive and safe airway in the world. The operation of Vietnam's long-range air traffic control is currently under the direction of Thailand Aeronautical Radio.

As far as Thailand is concerned, according to an executive of the Aviation Department, it is willing to hand over the system to Vietnam if it is ready and able to catch up with the updated international air traffic control technology now being used in the region. However, the aviation source said it was not only security that the ASEAN participants were worred about, "but the other drawbacks to the industry."

He noted that flights to Hong Kong not only pass over Vietnam air but also through China's air space. If the Chinese government objects to Vietnam resuming management of its air traffic control system, flights passing over Vietnam may not therefore be permitted to go through China. This will mean that all airlines operating flights to Hong Kong or other areas, which currently have to cross over Vietnam, will have to revert to the old, and longer route, in operation before Amber I came into being. "That means all flights will have to go around the

Vietnam cape, which is a longer distance, and that will cause lost energy resources and longer flight times," said the source.

However, he said that the ASCCARS will submit an official request on the issue to ICAO for the world body to inspect Vietnam's equipment capacity and efficiency to undertake the task. "It will take some time, and we can be sure that if the ICAO finds that the capacity of the equipment is less than the standard required for international aviation, the country will not be allowed to control the traffic system in its own skies," the source said. Currently, Thai Airways International is involved in a cooperative programme with Vietnam by providing ground handling equipment in exchange for service charges for landing and using facilities in Vietnam.

Increased Trade With Capitalist Countries Noted

BK0608144190 Hong Kong AFP in English 1337 GMT 6 Aug 90

[Text] Hanoi, Aug 6 (AFP)—Vietnam is shifting the focus of its foreign trade—especially its imports—from traditional socialist-bloc trading partners to capitalist countries, VIETNAM-HEBDO [as received] reported Monday. The realignment follows political changes in socialist countries [which have] been "rocked by political upheaval," the French-language weekly said. In the first six months of 1990, imports from capitalist countries, particularly those in Asia, rose by 66.6 per cent to 501 million dollars compared with the same period last year, it said.

In sharp contrast, imports from the Soviet Union and Eastern Europe fell by 24 per cent to June this year compared with the first six months of 1989, totalling 614 million rubles (1.05 billion dollars at local exchange rates), the weekly said. Vietnam mainly imports manufactured products such as cars, motorcycles and electrical goods, as well as chemical products and special metals. Vietnamese exports to the Soviet Union and Eastern Europe rose by 54.4 per cent in the first half of this year compared to 1989, totalling 420 million rubles (722 million dollars), VIETNAM-HEBDO said.

Vietnam's principal exports are zinc, rubber, coffee, frozen meat, tinned fruit and rice. Until now, socialist countries—and especially the Soviet Union—were Vietnam's main trading partners, while Japan was its top principal capitalist partner. Until recently, socialist countries provided 73.7 per cent of Vietnam's total imports and took 57 per cent of its exports, according to official figures. Vietnam has constantly criticised the political changes in socialist bloc countries and reaffirmed its support for socialism and the leading role of the Communist Party.

Kaifu's Statement on Nuclear Weapons Criticized

BK0908091290 Hanoi Domestic Service in Vietnamese 1100 GMT 8 Aug 90

[Text] While people in Hiroshima strongly condemned the deployment of nuclear weapons, Japanese Prime Minister Toshiki Kaifu, in his speech to mark the 45th anniversary of the U.S. bombing on Hiroshima and Nagasaki, stressed that it is necessary to have nuclear weapons as a means of deterrence to maintain peace and stability in the world. He also rejected a plan to make the Japanese three principles on non-nuclear arms into state law.

This attitude of the Japanese Government is obviously running counter to mankind's lofty, general aspiration.

Coffee Exports to Europe, Japan, India Noted

BK0408134290 Hanoi VNA in English 0654 GMT 4 Aug 90

[Text] Hanoi VNA August 4—In the first half of this year, the Vietnam Union of Coffee Entrerprises exported 12,034 tons of coffee beans, netting 18.3 million rubles and dollars.

The union's foreign clientele includes Eastern European countries, France, India, Japan, Italy and the Federal Republic of Germany.

Directive Issued on Press, Publication Work

BK0808034590 Hanoi Domestic Service in Vietnamese 1100 GMT 2 Aug 90

["Text of directive" issued by the party Central Committee Secretariat on strengthening the party leadership over press and publication work; place and date not given]

[Text] Acting in line with the sixth party congress, journalists and publishers have begun renovating the contents and forms of their activities and have contributed to disseminating party and state standpoints and policies among the masses for implementation. They have also been reflecting the people's legitimate aspirations and views, keeping everyone informed of good models and new factors, and have positively responded to the anti-negativism struggle. Of late, they have been promoting public awareness of sabotage by imperialist and reactionary forces, and have criticized slanders against the party and socialism.

As far as publication work is concerned, many books and printed materials have been published to support the implementation of political tasks, especially the commemoration of major anniversaries in 1990. These publications have met part of our people's spiritual need.

These changes, which are for the better, must be credited to the efforts of journalists and publishers, as well as to the initial achievements of agencies in charge of guiding and overseeing press and publication work.

Nonetheless, there is still more room for improvement in press and publishing activities. A number of agencies, newspapers, magazines, and publishing houses have not acted strictly in accordance with their objectives, lines, and functions. The publication and use of books and newspapers have not been properly organized. No sufficient efforts have been made to supply books and newspapers to people in the countryside and remote areas. Many reading rooms and libraries have not been provided with sufficient funds to buy books and newspapers. Materials about good models and new factors are few and lack the power of persuasion. As far as the anti-negativism struggle is concerned, there has been a lack of accuracy and a failure to weigh the pros and cons. Some newspapers have carried inaccurate reports but have not bothered to clarify in order to ensure objectivity and correctness.

There has been a poor sense of responsibility toward the protection of party and state secrets. There have been many cases of reporters failing to exercise caution in addition to the failure to observe party and state foreign policies governing the coverage of world developments. A number of newspapers, magazines, and publishing houses have produced printed materials with bad contents to oppose party positions and lines. These materials distort history, deny revolutionary gains, exaggerate mistakes, and incite people to oppose the party leadership and socialism. Sometimes, they used the excuse of reflecting the people's views to propagate fallacious concepts.

The tendency toward commercialization is prevalent among a number of money-minded press agencies and publishing houses. As a result, printed materials with bad contents have been dumped onto the market, seriously affecting efforts to build new men and a new culture, and causing public discontent in the process. Some newspapers and magazines carry too many ads, including those placed by swindlers and counterfeiters.

Instead of making periodic checks, many agencies directly in charge of overseeing press and publishing activities have left everything to editors in chief or directors. Sometimes, violations against the lines, objectives, and other provisions specified in printing and publishing permits have continued. No resolute measures have been taken to deal with a situation in which press agencies and publishing houses have been manipulated by a number of people with bad intentions.

On the other hand, because of their inflexible leadership, certain responsible organs have failed to develop the dynamism, creativity, and responsibility of the official in charge of press and publication work. State organs at the central and local levels alike continue to relax state control over press and publication work. They are imprudent and, even worse, there have been negative indications in their granting of permits. They have not dealt seriously with illegal acts. Although the press law has been promulgated, it is not widely disseminated among the entire party and people, and there is no written guidance for the enforcement of this law. There are still many loopholes in the control over printing houses and prints. A number of party committee echelons do not have a correct view of the role of the press and publication sector during the renovation process. They do not pay attention to creating favorable conditions for the activities of the press and publication sector. They do not adequately listen to the views of and do not provide regular guidance, supervision, and encouragement for party cadres and members in charge of press and publication work.

After examining the above situation, on the basis of various party resolutions, the Secretariat has the following guiding suggestions:

1. Publications are very important tools on the ideological front. They contribute to stepping up the renovation process and to building and safeguarding the socialist fatherland. While the imperialists and hostile forces are striving to use books, newspapers, and other literary works to propagate their decadent lifestyle, incite unrest, and create political and ideological trouble, we must strengthen the party leadership and the state's control over press and publication work. It is necessary to create favorable conditions for press and publication work to meet the people's ever-growing requirements for good books and newspapers, to teach and propagate party and state policies and lines, and thereby to contribute to cultivating the people's mentality, ethics, and wholesome lifestyle, expanding their knowledge in all respects, fostering a sense of revolutionary awareness, and heightening a sense of vigilance against the enemy's distorting allegations. Meanwhile, efforts must be made to resolutely curb the publishing and circulation of evil, reactionary, and decadent works.

2. Party leadership over press and publication work should be reflected through the following efforts:

—Directing efforts to improve the quality of and the political and ideological orientations for press and publication work; fostering party viewpoints, policies, and lines; fixing political and ideological orientations and providing necessary information for press and publication cadres; especially responsible cadres, editors in chief, and directors; formulating training plans and policies to care for the welfare and safety of press and publication cadres while they are practicing their trade.

—Rationally and effectively setting the direction for the planning of the network of press, publication, printing, and publishing houses in a way suitable to our national situation.

—Checking the political and ideological contents of publications.

—Fostering a sense of responsibility in, as well as improving the abilities and the political quality of the key cadres of various press and publication organs.

—Investigating, training, and fostering the development of those press and publication workers with good political qualities and talents and recommend them to responsible organs as replacements for poor quality cadres.

—Strictly dealing with those cadres found deliberately violating the law or taking advantage of press and publication work so that they realize their evil designs.

—Directing state organs to build a legal system and develop other legal documents on press and publication work in accordance with the party's political orientations and trying to keep abreast of the situation in order to direct work implementation through various party organizations, party members in charge of state management organs, responsible organs, press organs, and publishing houses.

The party Central Committee's Ideological and Cultural Department and various provincial, city, and special zone party committees are organs dutybound to help the party committee echelons concerned in providing leadership and guidance for press and publication work.

Party affairs sections must hold periodic meetings with party members in charge of press and publication organs and must regularly report to the party committee echelons concerned on the situation regarding press and publication. Jobs that fall under the responsibility of any state organs in charge of press publication must be handled by these organs themselves. Responsible party members in state organs must comply with a reporting system and must seek the advice of party affairs sections as decided by the party committee echelons concerned.

Party affairs section, when finding irregularities, must give their direct advice or report to the party committees concerned for guidance. To ensure good cooperation, it is necessary to appoint the comrade in charge of the state information and cultural organ concerned to act as a member of the party affairs section in charge of ideological affairs.

3. The state management over press and publication must be carried out in accordance with the promulgated policies, regulations, and the press law which include guidance and punishment for violations.

It is imperative to propagate and widely disseminate the existing rules and regulations on press and publication, produce documents guiding the implementation of the press law, and quickly formulate a law on publication governing the printing and distribution of books and newspapers. It is also necessary to seriously deal with violations to the press law. Prosecutions should be carried out against a number of cases of violations to warn responsible organs and press and publication agencies to abide by the law. State agencies, mass organizations, state-run establishments, and collectives should be provided with the appropriate budget to build libraries to serve the readers at large.

It is necessary to launch a movement to urge the people to buy radio receivers to listen to Vietnamese radio programs, especially in mountain and rural areas. Courses should be organized to train cadres, party members, and workers of publishing enterprises to heighten their sense of responsibility to contribute to improving press and publication work, to be able to check draft copies to point out items that violate the press law, and to inform the responsible organs of the violation for prompt action.

4. The responsible organs take responsibility in guiding press and publication agencies to abide by the law. Heads of responsible organs must directly guide and hold periodical meetings with cadres of press and publication agencies and publishing houses to ensure correct implementation of principle, objective, and regulations as prescribed in the licenses granted to these agencies by the state. Efforts should be made to apply an incentive system to encourage responsible cadres to strictly observe discipline, pay more attention to building material-technical bases, and implement state positions and policies, thereby creating favorable conditions for sectors, mass organizations, and provinces to effectively carry out their press and publication work.

5. Authority and responsibility of cadres responsible for press and publication work must be defined in accordance with state regulations. Editors in chief and directors of press agencies must be party members who take responsibility before the concerned organs and echelons of party committees in implementing the party's political and ideological directives. Echelons of party committees shall help in designing measures to implement these directives to suit the ability of cadres responsible for press and publication work. These cadres must ask for instruction from party committees or heads of the responsible organs before carrying out tasks related to party and state secrecy, security and the political situation, and relations with foreign countries.

6. Efforts should be made to establish party and youth union cells in executive committees of journalist associations at the central and local levels to execute party leadership over journalist associations. Party and youth union organizations will use these cells to disseminate the party line and policy to these associations, thereby helping them to effectively participate in building and implementing policies on press and publication, to protect the legitimate right of journalists, and to foster the professional skills of members of these associations. Efforts should also be made to present the ideas contributed by journalists who are not party members and help party chapters to discover and encourage new competent persons to be admitted to the party.

Echelons of party committees, state management agencies; responsible organs of newspapers, radio stations, journals, and publishing houses; and the Vietnam Journalist Association must firmly grasp and satisfactorily implement the aforementioned tasks.

The party Central Committee Ideology and Culture Department is responsible for monitoring and reporting to the party Central Committee Secretariat results on the implementation of this directive.

Vo Nguyen Giap at Rural Development Symposium

BK0908110190 Hanoi Domestic Service in Vietnamese 2300 GMT 3 Aug 90

[Text] A symposium on rural development was organized in Hanoi on 2-3 August under the sponsorship of the Vietnam Union of Peasants. Council of Ministers Vice Chairman Vo Nguyen Giap attended and addressed the symposium.

The contents of 30 research projects presented by various scientists and production establishments focussed on varied issues related to natural resources, human resources development, economic potentialities, rural life, current problems facing the rural areas, and measures for overcoming poverty and hunger so as to build a new countryside.

Speaking on this occasion, Council of Ministers Vice Chairman Vo Nguyen Giap stressed the important role and great potentialities of peasants, the countryside, and agricultural production in our country's socioeconomic development strategy.

Vice Chairman Vo Nguyen Giap pointed out: Peasants account for nearly 80 percent of our country's population. In order to promote agricultural production and rural development, the state must work out measures to support production operations. It is necessary for all localities to provide concrete guidance to peasants so that the highest-yielding species of animals and crops can be selected. There are many economic potentials in our rural areas. It is important for us to know how to combine and make full use of all these economic factors. In order to increase incomes by means of exports, we must expand local processing facilities and provide family businesses with more mechanized means. To this end, scientists should carry out more research projects and go out of their way to give peasants access to scientific innovations. Only by so doing can we build a new countryside step by step, effect comprehensive changes in the rural areas, and help many peasants become wealthy.

Sixth Phase of Crackdown on Crime Begins

BK0708074190 Hanoi Domestic Service in Vietnamese 1100 GMT 4 Aug 90

[Text] Continuing to implement Directive No. 135 of the Council of Ministers and under the guidance of the Ministry of Interior, on 1 August all localities throughout the country began the sixth phase of the campaign to suppress and track down criminals of all types to restore social order and discipline.

According to reports from some localities, in the three days from 1 to 3 August, eight gangs of hooligans and thieves were discovered and 223 persons were arrested on charges of stealing or swindling citizens out of property. These included 26 cases of economic crimes and 16 cases involving embezzlement and intentional violation of economic management principles. Also seized during the same period were four pistols, more than 60 rounds of ammunition, nine motorcycles, eight bicycles, and over 150 million dong in cash.

Public security forces in various localities also coordinated with the culture and information services in inspecting hundreds of places selling cultural materials, confiscating 233 reactionary and decadent books or magazines, and dozens of video tapes and musical cassettes whose contents are not in accordance with state regulations.

The new feature in the first days of this phase of the campaign was the mass movement launched by various units and localities to encourage criminals to give themselves up. In July and early August, more than 400 criminals had surrendered to authorities in various localities.

Ha Bac Begins Campaign

BK0708061390 Hanoi Domestic Service in Vietnamese 2300 GMT 3 Aug 90

[Text] The Ha Bac provincial people's committee recently issued a directive on the sixth phase of the crime suppression campaign. The campaign is to encourage the masses to control and recover weapons and explosives and reactionary and decadent cultural material and to persuade criminals throughout the province to surrender themselves to the authorities.

In the 10 days of the campaign, the provincial public security forces were able to persuade 166 criminals to turn themselves in. They also seized 146 guns of various types, more than 600 grenades, 94 kilograms of explosives, and large quantities of unlicensed video players and tapes and reactionary and decandent cultural material.

Khmer-Language Radio Program To Be Broadcast

BK0408170790 Hanoi Domestic Service in Vietnamese 1100 GMT 1 Aug 90

[Text] Beginning today, 1 August 1990, Voice of Vietnam Radio will broadcast a Khmer-language program for Khmer compatriots in the Nam Bo region. This is the second ethnic language program to be broadcast by the National Radio Broacasting Station following its first one, a H'mong-language program, which has been going on the air since 1 April this year.

The program for the Nam Bo Khmer compatriots is to be broadcast from Ho Chi Minh city over the frequency of 455 khz or 458 meters. There are two broadcasts a day with the morning broadcast starting from 0500-0530 hours and the evening broadcast starting from 2000-2030 hours.

The purpose of this program is to keep the Khmer compatriots informed of activities regarding national construction and defense and the world situation with special emphasis on the economic, cultural, and social life of the Khmer compatriots in the community of the multiethnic Vietnamese people. This program also serves as a forum of the Nam Bo Khmer compatriots.

As for music and drama, the program will mainly feature the music and theaterical plays of the Khmer compatriots in addition to the songs and music of other ethnic groups living in Vietnam.

This program reflects an effort by the collective of reporters, editors, artists, and technical cadres of Voice of Vietnam Radio, of Radio and Television Technology Corporation No.2, and of the bulk of radio program contributors who are Nam Bo Khmer people to welcome the 2 September National Day and to celebrate the 45th founding anniversary of Voice of Vietnam Radio, 7 September.

Australia

Hawke Orders Three Navy Ships Sent to Gulf

BK1008071490 Melbourne Overseas Service in English 0500 GMT 10 Aug 90

[Text] Australia is to send two frigates and a supply ship to the Middle East to take part in a multinational naval task force aimed at enforcing the international blockade against Iraq.

The prime minister, Mr. Bob Hawke, announced this morning that the two guided missile frigates, the "Adelaide" and the "Darwin," and a support tanker, the "Success," were expected to leave for the Gulf in five days.

Mr. Hawke said the decision was taken following a request from the United States at a lengthy telephone discussion with President Bush today. He said the ships would remain under Australian command, but on arrival in the Gulf they may operate either under United States or some other form of control.

Mr. Hawke said issues such as the command structure, status, and other membership of the task force were still to be determined. He said Australia would not stand idly by while a member of the international community broke the rules of civilized conduct.

Evans Arrives in Sri Lanka for 'Brief Visit'

BK1008073090 Melbourne Overseas Service in English 0500 GMT 10 Aug 90

[Text] The Australian minister for foreign affairs and trade, Mr. Gareth Evans, has arrived in Sri Lanka for a brief visit. During the visit Mr. Evans will hold talks with the president, Mr. Ranasinghe Premadasa; the trade minister, Mr. A. Mansoor; as well as other senior cabinet members.

Mr. Evans arrived in Colombo from Bangladesh on the final leg of his South Asian tour. He is the first Australian foreign minister to visit the island since 1985.

Kirner Elected Victoria State Premier 9 Aug

BK0908034490 Hong Kong AFP in English 0317 GMT 9 Aug 90

[Text] Melbourne, Australia, Aug 9 (AFP)—The deputy premier of Victoria, Joan Kirner, became the second woman to head an Australian state government when the governing Labor Party elected her premier on Thursday.

Mrs. Kirner, 52, succeeds John Cain, who resigned after eight years as premier on Tuesday saying that he did not have the necessary loyalty and support of Labor politicians during the worst financial crisis in the modern history of Victoria. Mrs. Kirner, a member of the socialist left faction, obtained 37 votes to 26 at a brief caucus meeting here.

Her election comes less than six months after the Labor Party in Western Australia chose Carmen Lawrence as the first woman state premier in the country's history.

Australia has six self-governing states and a federal government, which has responsibility for national affairs and also administers the national capital territory of Canberra and the vast, sparsely populated Northern Territory. New South Wales, home to almost six million of the country's 17 million people, is run by a conservative coalition, but all the other states have labor governments, including Victoria, with a population exceeding four million.

Speaking to reporters after her election as premier, Mrs. Kirner said: "It's an awesome responsibility, but I am also very honoured. I am delighted to lead the party to the next election, and we will win the next election."

An opinion poll published on Wednesday showed that Labor's support among the Victorian electorate had slumped to 29 per cent amid party wrangling and the collapse last month of the state's second-largest building society, Pyramid.

An election in Victoria must be held by the end of 1992.

Mrs. Kirner's first task will be to deliver a budget this month. In June Moody's dropped the state's credit rating from triple-A to AA1, a move which prompted Prime Minister Bob Hawke to comment that the Cain administration's handling of the Victorian economy was "less than perfect."

A heavy drain of support in Victoria, and a lesser extent in Western Australia, reduced Labor's majority in the federal parliament in March this year, and almost cost Mr. Hawke his fourth successive general election victory.

Fiji

Concern Expressed Over Middle East Developments

BK0908161590 Hong Kong AFP in English 1532 GMT 9 Aug 90

[Text] Suva, Aug 9 (AFP)—Fiji's interim government Thursday expressed its concern over recent developments in the Middle East where Fiji has 1,100 soldiers on U.N. peacekeeping duties.

"Fiji is monitoring the situation closely through its ambassador at the U.N. and we will take part in any vote on the issue when the opportunity arises," Foreign Affairs Secretary Robin Yarrow said. Although tensions caused by the Iraqi invasion of Kuwait last week were "a worry" for Fiji, Mr. Yarrow pointed out that the Fijian troops were "some distance away" in Lebanon and Sinai.

Army Chief Wants Government of 'Reconstruction'

BK1008055290 Hong Kong AFP in English 0541 GMT 10 Aug 90

[Text] Suva, Aug 10 (AFP)—Fiji's military strongman leader Major-General Sitiveni Rabuka wants to lead a government of national reconstruction after general elections in 1992, he said in an interview published Friday.

According to THE PACIFIC ISLANDS monthly magazine, Maj. Gen. Rabuka, 41, believes he has "an even chance" of becoming the next prime minister after the elections under the new pro-Fijian constitution promulgated last month. He said as long as he stays in the Army he could ensure there would be no further military intervention. "But out of it I cannot guarantee that," he added.

The Army commander who led the military coup which deposed an elected Indian-dominated government said that he realised Fiji's 327,000 ethnic Indians were concerned about him "because they don't trust me." But he added: "I can say to them that they have seen my worst, they haven't seen my best."

Although he said he is not happy with the new constitution which gives indigenous Fijians a 10-seat majority in parliament, Maj. Gen. Rabuka said he would "go along with it if the chiefs are happy." He expects Fiji's two high chiefs, Prime Minister Ratu Sir Kamisese Mara and President Ratu Sir Penaia Ganilau to whom he surrendered power in December 1987, to be "active right through to their very last days." Their continuing presence, he said, would act as a moderating influence.

He said that when he stepped down from military command his successor would have to be appointed from among senior officers in the Fiji military forces. "It would be a show of no confidence in their capability and ability if I preferred an expatriate," he said.

He had indicated earlier that his predecessor, Epeli Nailatikau, whom he deposed while taking over the government in 1987, could be reinstalled as the next commander. Mr. Nailatikau, a son-in-law of the current prime minister, is presently Fiji's ambassador to Britain and the Middle East.

Another candidate said to be considered in Fiji Army circles is the current chief of staff, Brigadier-General Epeli Ganilau, son of President Ratu Penaia.

Meanwhile, Fiji's Moslems have endorsed the new constitution and will contest general elections held under it, a leader of the Moslem community said in an article published Friday. Fiji Muslim League President Abdul Rauf said "half of the Indians or more will go to the polls," adding he did not believe the ethnic Indian-backed opposition National Federation-Fiji Labour Party coalition would boycott them. "They don't speak on behalf of all the Indians," he said.

The coalition's power base is mainly the Hindu community which is numerically superior to other ethnic Indian minorities in Fiji's Indian population of 327,000.

Mr. Rauf said it was premature to say whether a coalition boycott would allow the Moslem minority community to dominate the 27 seats allocated to Indians in parliament.

Maj. Gen. Rabuka has shown sympathy towards the Fiji Moslem community of about 50,000. "I wanted the Moslem seats separated from the Indians," he told THE PACIFIC ISLANDS monthly.

Maj.-Gen. Rabuka said he wanted Christianity to be the official religion of the island republic where non-Christian Indians settled more than 110 years ago to work for the British indentured labour system. "I think if we declare that Christianity is the official religion then it is only right that we hear the views of the Moslems, not the Indians as a whole because we will be running things according to the official religion of the country," Maj. Gen. Rabuka said.

Papua New Guinea

Army To Develop Remote Indonesian Border Area

BK1008053090 Hong Kong AFP in English 0521 GMT 10 Aug 90

[Text] Port Moresby, Aug 10 (AFP)—Papua New Guinea's Army will undertake a major civic program along the country's western border with Indonesia, Defence Minister Ben Sabumei said.

Mr. Sabumei said in Rabual Thursday [9 August] that under the one million kina (one million dollar) program, bridges, health centres, airstrips, telecommunications services and schools would be built along the 800-kilometre (500-mile) frontier. Up to 500 soldiers, many with technical training, and unemployed youths would be engaged in the project, he said.

This would be the first major effort by Port Moresby to develop the remote frontier, which has witnessed many flare-ups in the past as Jakarta's troops struggle against the Irian Jaya Pro-Independence Rebel Movement (OPM). "The border area has been neglected for far too long," Mr. Sabumei said.

Jakarta has already begun a similar program on its side.

The joint border committee involving the two countries last year agreed to improve border stations, to monitor events on both sides and to cater for the welfare of the border people.

Port Moresby had intensified its efforts along the border following disturbances by the OPM at Yapsie. A government spokesman said OPM harrassment and intimidation of Papua New Guinea citizens would force the government to take action to capture them and hand them over to Indonesian authorities. Within days of the

announcement Port Moresby handed over a rebel leader, Mecky Salosa, who had been caught and jailed in Papua New Guinea several times.

Papua New Guinea's Foreign Minister Michael Somare warned Wednesday the nation "will not tolerate the use of its territory by OPM rebels to conduct activities against Indonesia." "Any OPM rebels caught inside PNG territory will be dealt with according to PNG laws. We will also not hesitate to hand over such criminal elements to Indonesian authorities after due process of law in PNG," he said.